

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
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Part I	Annual Report Identification Information		
For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>			
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 <u>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401K PROFIT SHARING PLAN</u>	1b Three-digit plan number (PN) ►	<u>001</u>	
	1c Effective date of plan	<u>01/01/2009</u>	
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) <u>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC.</u> <u>775 TIPTON INDUSTRIAL DRIVE, STE. D</u> <u>LAWRENCEVILLE, GA 30043</u>	2b Employer Identification Number (EIN) <u>45-0677799</u>		
	2c Plan Sponsor's telephone number <u>770-217-4620</u>		
	2d Business code (see instructions) <u>423600</u>		

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	<u>Filed with authorized/valid electronic signature.</u>	<u>11/02/2017</u>	<u>LANIER BIVINGS</u>
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2016)
v. 160205

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name ENCOMPASS SUPPLY CHAIN SOLUTIONS, I	4b EIN 42-0127290 4c PN 001
5 Total number of participants at the beginning of the plan year	5 255
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..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 179 6a(2) 158 6b 0 6c 76 6d 234 6e 0 6f 234 6g 170 6h 5
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 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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

<div>A</div> <div>Name of plan</div> <div>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401K PROFIT SHARING PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>001</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>45-0677799</div>

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a

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

☐ Yes ☒ No
- b

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

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

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

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

(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 ☐

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Internal Revenue Service</small> <hr/> <small>Department of Labor</small> <small>Employee Benefits Security Administration</small> <hr/> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u>		
A Name of plan <u>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401K PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC.</u>	D Employer Identification Number (EIN) <u>45-0677799</u>	

Part I	Asset and Liability Statement
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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)	1373483	2323129
(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)	125666	153488
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	3546899	3520521
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	5046048	5997138

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5046048	5997138
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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)	160993	
(B) Participants	2a(1)(B)	253043	
(C) Others (including rollovers)	2a(1)(C)	310342	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		724378
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)	7484	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		7484
(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)	139785	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		139785
(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)		258627
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1130274

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	145784	
(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)		145784
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	33400	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		33400
j Total expenses. Add all expense amounts in column (b) and enter total	2j		179184

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		951090
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: CARR RIGGS AND INGRAM LLC

(2) EIN: 72-1396621

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:

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.).....

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.)

	Yes	No	Amount
4a	X		191484
4b		X	

		Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e Was this plan covered by a fidelity bond?	4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			
o Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year (See instructions.)

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection.
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For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan <u>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC. 401K PROFIT SHARING PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ENCOMPASS SUPPLY CHAIN SOLUTIONS, INC.</u>	D Employer Identification Number (EIN) <u>45-0677799</u>

Part I	Distributions
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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	<u>0</u>
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): <u>75-3182674</u>		
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 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
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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
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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.
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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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016
v. 160205

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
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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
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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 / / .	

**Encompass Group Affiliates, Inc.
401(k) Profit Sharing Plan**

FINANCIAL STATEMENTS

December 31, 2016 and 2015



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRlcpa.com

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
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December 31, 2016 and 2015

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Note: All schedules required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA") have been omitted because the conditions under which they are required are not present.



REPORT

INDEPENDENT AUDITORS' REPORT

Plan Administrator
Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Matrix Trust Company, Inc. for the period April 10, 2015 through December 31, 2016 and by Wilmington Trust, N.A for the period January 1, 2015 through April 9, 2015, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained a certification from the trustees as of December 31, 2016 and 2015, and for the years then ended, that the information provided to the Plan Administrator is complete and accurate.

Disclaimer of Opinion

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

Other Matters

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

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

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Atlanta, Georgia
October 11, 2017



FINANCIAL STATEMENTS

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits

<i>December 31,</i>	2016	2015
Assets		
Investments, at fair value		
Cash equivalents	\$ 2,323,129	\$ 1,373,483
Mutual funds	3,520,521	3,546,899
Total investments at fair value	5,843,650	4,920,382
Notes receivable from participants	153,488	125,666
Net assets available for benefits	\$ 5,997,138	\$ 5,046,048

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

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Statements of Changes in Net Assets Available for Benefits

<i>Years ended December 31,</i>	2016	2015
Additions to net assets attributed to		
Investment income		
Net appreciation (depreciation) in fair value of investments	\$ 258,627	\$ (257,030)
Interest and dividend income	139,785	166,096
Contributions		
Employer contributions	160,993	167,664
Participant contributions	253,043	261,450
Rollover contributions	310,342	-
Interest income on notes receivable from participants	7,484	5,705
 Total additions	 1,130,274	 343,885
 Deductions from net assets attributed to		
Benefits paid to participants	145,784	263,223
Administrative expenses	33,400	29,606
 Total deductions	 179,184	 292,829
 Net increase in net assets	 951,090	 51,056
 Net assets available for benefits		
Beginning of year	5,046,048	4,994,992
 End of year	 \$ 5,997,138	 \$ 5,046,048

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

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 1: DESCRIPTION OF PLAN

The following description of the Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan (the Plan) provides only general information. Participants should refer to the Plan Document or the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a single employer defined contribution retirement Plan established effective January 1, 2009 for Encompass Supply Chain Solutions, Inc. (the Employer, the Plan Administrator and the Plan Sponsor). The Plan has adopted a volume submitter profit sharing plan sponsored by E-Plan Services, Inc. as its Plan Agreement.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

An employee is eligible once 90 days of entry service has been completed and attained the age of 21. Each employee is eligible to make contributions to the Plan on the first day of the month on or after they have met the eligibility requirements. Each employee is eligible to receive matching contributions when they enter the plan.

Funding

Participants are allowed to contribute up to 100% of their annual compensation, subject to statutory dollar limitations of \$18,000 for 2016 and 2015. In addition, participants who are age 50 or older and have made the maximum contribution to the Plan can make an additional "catch-up" contribution to an annual maximum of \$6,000 for 2016 and 2015.

The Employer matches a percentage of the participant's pre-tax contributions. The Plan provides for a safe harbor matching contribution of 100% of each participant's contribution not exceeding 3% of the participant's compensation, plus 50% of each participant's contribution in excess of 3% but not to exceed 5% of the participant's compensation.

The Employer may also make a discretionary profit sharing contribution to the Plan. There were no profit sharing contributions for the years ended December 31, 2016 and 2015.

Participants are immediately vested in their own contributions, qualified matching contributions, rollover contributions, plus earnings thereon. Participants become 100% vested in the Employer's profit sharing contributions and earnings when the participants reach normal retirement age. Prior to normal retirement age, the participants become vested in profit sharing contributions and earnings based on a 5 year vesting schedule. Participants are 20% vested after one year of service and vesting increases 20% for each additional year of service until fully vested after five years of service.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Participant Accounts

The following types of participant accounts are established and maintained under the provisions of the Plan:

Type of Account	Description
Employee contribution account	Participant's voluntary contributions and earnings or loss thereon and, if applicable, a separate rollover account for distributions from other plans and earnings or loss thereon.
Employer contribution account	Participant's portion of the Employer's matching and profit sharing contribution and earnings or loss thereon.

Allocations to the participant's accounts are made as follows:

Type of Allocation	Basis of Allocation
Net appreciation (depreciation) in the fair value of investments and interest income	Based upon actual returns for the participant's self-directed investments.
Forfeitures	Forfeitures are used to reduce the Employer's matching contribution and administrative expenses.
Employer matching contribution	Discretionary percentage of the participant's annual contribution, which is based on the participant's compensation.

Payment of Benefits

The participant's vested portion of his/her account balance will be available for distribution in the event of retirement, death, disability, termination of employment, or financial hardship subject to the Plan's provisions.

While employed, a participant may withdraw rollover contributions at any time. Also while employed, a participant who either reaches age 59½ or is considered totally disabled may withdraw all or part of his/her account balance.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Notes Receivable from Participants

A participant may borrow up to the lesser of \$50,000 or 50% of the vested portions of his/her account balance, repayable over a reasonable period of time not to exceed five years and bearing interest at 2% over the prime rate in effect at the beginning of the month in which the loan is approved. Principal and interest is paid ratably through payroll deductions.

Investment Options

In accordance with the Plan's provisions, the Trustee provides investment options for the participant's accounts. The participant directs the Plan Administrator and the Trustee as to the investment or reinvestment of his/her account balance. Each option has different investment objectives and levels of risk. Participants may change their investment allocations and redirect their existing account balances on a daily basis.

Termination of the Plan

Although it has not expressed any interest to do so, the Plan Sponsor has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act (ERISA). In the event of the Plan's termination, participants will become 100% vested in their account balances.

Tax Status

The E-Plan Services, Inc. volume submitter profit sharing Plan has received an advisory letter from the Internal Revenue Service stating that the form of the Plan is acceptable under §401 of the Internal Revenue Code, and therefore, the related trust is tax exempt. In accordance with Revenue Procedure 2002-6 and Announcement 2001-77, the Plan Sponsor has determined that it is eligible to and has chosen to rely on the current IRS advisory letter. The date of the letter is March 31, 2014.

The Plan Administrator believes that the Plan, as adopted from the amended prototype plan, is designed and being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, the Plan was qualified and the related trust was tax-exempt at December 31, 2016 and 2015.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Plan applied in the accompanying financial statements follows.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Benefits are recorded when paid to participants.

Investments

The Plan permitted its participants to direct the investment of their account balance under the Plan. The Plan Administrator offered the participant choices of various types of mutual funds and an interest-bearing cash account. These investments are managed by the trustee, Matrix Trust Company, Inc. for the period April 10, 2015 through December 31, 2016 and by Wilmington Trust, N.A for the period January 1, 2015 through April 9, 2015. The investments in mutual funds, and interest-bearing cash account are stated at fair value based on quoted market prices. The increases or decreases in the market values of these investments held at the end of the year are reflected in the statement of changes in net assets available for benefits as net appreciation/depreciation in fair value of investments.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is recorded on the accrual basis. Dividends are recorded on the ex-dividend basis.

Notes Receivable from Participants

Notes receivable from participants are stated at the outstanding balance of the loan plus accrued interest. Defaulted notes receivable from participants are recorded as distributions based on the terms of the Plan document.

Concentrations of Market and Credit Risk

The financial instruments, which potentially subject the Plan to concentrations of credit risk, are principally investments. The Plan's investments consist primarily of various mutual funds in pooled separate accounts and the credited interest option. To reduce concentrations of credit risk, the Plan Administrator has made numerous types of investment choices available to the participants, and the participants themselves make their own choices based upon their appropriate risk level. As a consequence, the Plan Administrator believes that its credit risk exposure is limited.

However, due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of these investments, it is at least reasonably possible that changes in risks in the near term could materially affect participant account balances and the amounts reported in the financial statements.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 3: CERTIFICATION OF FINANCIAL INFORMATION (UNAUDITED)

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2016 and 2015, and net appreciation (depreciation) in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the years ended December 31, 2016 and 2015, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Matrix Trust Company, Inc. for the period April 10, 2015 through December 31, 2016 and by Wilmington Trust, N.A for the period January 1, 2015 through April 9, 2015.

NOTE 4: FAIR VALUE MEASUREMENTS (UNAUDITED)

FASB ASC 820, *Fair Value Measurements* (ASC 820), defines fair value, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are observable as of the reporting date. These inputs include quoted prices for similar assets 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; and 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.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 4: FAIR VALUE MEASUREMENTS (UNAUDITED) (CONTINUED)

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.

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

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Plan at year end. The NAV is a quoted price in an active market and represents fair value.

Cash Equivalents: A money market mutual fund, valued at the NAV of \$1 as reported by the fund manager.

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

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

	Level 1	Level 2	Level 3	Total
<i>December 31, 2016</i>				
Cash equivalents	\$ 2,323,129	\$ -	\$ -	\$ 2,323,129
Mutual funds	3,520,521	-	-	3,520,521
Total assets at fair value	\$ 5,843,650	\$ -	\$ -	\$ 5,843,650
<i>December 31, 2015</i>				
Cash equivalents	\$ 1,373,483	\$ -	\$ -	\$ 1,373,483
Mutual funds	3,546,899	-	-	3,546,899
Total assets at fair value	\$ 4,920,382	\$ -	\$ -	\$ 4,920,382

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan Notes to Financial Statements

NOTE 5: TRUSTEE'S RESPONSIBILITY

The Plan is administered by the Plan Administrator. Authority for control, management and administration of the Plan is vested in the Plan Administrator. The Plan's Trustee is appointed by the Plan Administrator. As the Plan's fiduciary, the Trustee's responsibility is to maintain the Plan's assets. The trust fund established by the Trustee is the funding medium used for the accumulation and distribution of benefits.

NOTE 6: PARTIES-IN-INTEREST TRANSACTIONS

Certain expenses of the Plan, including legal and accounting fees, are paid by the Employer. In addition, certain services to the Plan, by the Employer, were performed at no charge.

NOTE 7: COMPLIANCE MATTERS

During the year ended December 31, 2016, the following matters came to the attention of the Plan Administrator in regards to compliance and administration of the Plan in accordance with the Plan document.

During the year ended December 31, 2016, it was noted that three payrolls were uploaded incorrectly to the recordkeeper resulting in a mis-match in the recordkeeper data and the employee's W-2. Management identified an over contribution that was immaterial to the financial statements as a whole. The Plan Sponsor is in the process of correcting these amounts through their ERISA attorney. No correction has been made as of this report issuance.

The Plan Administrator noted that multiple late participant contributions were made to the trust over the course of 2009, 2010, 2013, 2014, 2015 and 2016 and were corrected through the VFCP program with the DOL during August 2017, including lost earnings. See Schedule H, Line 4a for details.

Subsequent to the year ended December 31, 2014, it came to the attention of the Plan Sponsor that required audits and tax filings for the years from 2012 through 2014 had not been completed. The Plan Sponsor intends to file, in October 2017, the Form 5500's and audited financial statements for the years ended December 31, 2012, 2013 and 2014.

The Plan Sponsor is in the process of diligently assessing and correcting, as necessary, the issues noted above.

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
Notes to Financial Statements

NOTE 8: SUBSEQUENT EVENTS

Subsequent to December 31, 2016, the Plan Sponsor corrected the late contributions through the VFCP program. See Schedule H, Line 4a for details of this correction.

During October 2017, the Plan Sponsor intends to file the Form 5500 and related audited financial statements for the years ended December 31, 2012, 2013 and 2014.

Management has evaluated subsequent events through October 11, 2017, the date in which the financial statements were available to be issued.



SUPPLEMENTAL SCHEDULES



Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
December 31, 2016

Participant Contributions Transferred Late to Plan			Total that Constitute Nonexempt Prohibited Transactions			Totally Fully Corrected Under VFCP and PTE 2002-51 ⁽²⁾	
Amount Withheld	Date Withheld	Date Remitted ⁽¹⁾	Contributions Not Corrected ⁽¹⁾	Contributions Corrected Outside VFCP	Contributions Pending Corrections in VFCP		
\$ 11,639	11/16/16	11/28/16	\$ 11,639	\$ -	\$ -	\$ -	-
\$ 10,868	11/2/16	11/7/16	\$ 10,868	\$ -	\$ -	\$ -	-
\$ 11,877	10/19/16	11/7/16	\$ 11,877	\$ -	\$ -	\$ -	-
\$ 11,569	9/21/16	9/29/16	\$ 11,569	\$ -	\$ -	\$ -	-
\$ 11,346	9/7/16	9/13/16	\$ 11,346	\$ -	\$ -	\$ -	-
\$ 11,346	8/24/16	8/31/16	\$ 11,346	\$ -	\$ -	\$ -	-
\$ 1,200	8/8/16	8/18/16	\$ 1,200	\$ -	\$ -	\$ -	-
\$ 12,090	7/27/16	8/4/16	\$ 12,090	\$ -	\$ -	\$ -	-
\$ 12,090	7/13/16	7/22/16	\$ 12,090	\$ -	\$ -	\$ -	-
\$ 11,545	6/29/16	7/13/16	\$ 11,545	\$ -	\$ -	\$ -	-
\$ 11,365	6/1/16	6/13/16	\$ 11,365	\$ -	\$ -	\$ -	-
\$ 12,256	5/18/16	5/24/16	\$ 12,256	\$ -	\$ -	\$ -	-
\$ 11,072	4/6/16	4/15/16	\$ 11,072	\$ -	\$ -	\$ -	-
\$ 11,350	3/23/16	4/5/16	\$ 11,350	\$ -	\$ -	\$ -	-
\$ 12,053	3/8/16	3/15/16	\$ 12,053	\$ -	\$ -	\$ -	-
\$ 15,626	1/13/16	2/4/16	\$ 15,626	\$ -	\$ -	\$ -	-
\$ 12,152	1/13/16	1/26/16	\$ 12,152	\$ -	\$ -	\$ -	-
\$ 40	1/8/16	1/11/16	\$ 40	\$ -	\$ -	\$ -	-
\$ 11,283	12/2/15	12/28/15	\$ 11,283	\$ -	\$ -	\$ -	-
\$ 13,858	11/18/15	12/7/15	\$ 13,858	\$ -	\$ -	\$ -	-
\$ 9,832	11/5/14	11/21/14	\$ 9,832	\$ -	\$ -	\$ -	-
\$ 9,857	10/8/14	10/30/14	\$ 9,857	\$ -	\$ -	\$ -	-
\$ 10,927	7/2/14	7/29/14	\$ 10,927	\$ -	\$ -	\$ -	-
\$ 10,942	5/7/14	6/2/14	\$ 10,942	\$ -	\$ -	\$ -	-
\$ 11,000	4/9/14	4/28/14	\$ 11,000	\$ -	\$ -	\$ -	-
\$ 11,236	2/12/14	3/11/14	\$ 11,236	\$ -	\$ -	\$ -	-
\$ 10,501	1/15/14	2/3/14	\$ 10,501	\$ -	\$ -	\$ -	-
\$ 9,224	12/4/13	12/24/13	\$ 9,224	\$ -	\$ -	\$ -	-
\$ 9,303	11/20/13	12/11/13	\$ 9,303	\$ -	\$ -	\$ -	-
\$ 10,190	11/6/13	12/12/13	\$ 10,190	\$ -	\$ -	\$ -	-
\$ 9,244	10/23/13	11/12/13	\$ 9,244	\$ -	\$ -	\$ -	-
\$ 9,960	10/9/13	11/12/13	\$ 9,960	\$ -	\$ -	\$ -	-
\$ 10,014	9/25/13	10/15/13	\$ 10,014	\$ -	\$ -	\$ -	-
\$ 10,907	8/14/13	8/29/13	\$ 10,907	\$ -	\$ -	\$ -	-
\$ 11,487	7/31/13	8/26/13	\$ 11,487	\$ -	\$ -	\$ -	-
\$ 2,435	5/31/10	8/9/10	\$ 2,435	\$ -	\$ -	\$ -	-
\$ 410	2/12/09	12/30/10	\$ 410	\$ -	\$ -	\$ -	-

⁽¹⁾ Represents delinquent participant deferrals and loan repayments from pay periods ranging from 2010 through 2016.

⁽²⁾ Lost earnings of \$1,356.59 deposited on August 21, 2017.

EIN 42-0127290
Plan Number 001

Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
Schedule H, Line 4i – Schedule of Assets
(Held at End of Year) December 31, 2016

(a)(b)(c) Description of Assets	(d) Cost ⁽¹⁾	(e) Current Value
Investments at fair value:		
Bancorp Master Deposit Account B		\$ 2,323,116
T. Rowe Price Retirement 2030		706,648
T. Rowe Price Retirement 2040		496,799
T. Rowe Price Retirement 2020		287,429
T. Rowe Price Retirement 2045		259,221
T. Rowe Price Growth Stock		227,789
T. Rowe Price Retirement 2050		182,882
PIMCO Low Duration Fund		131,947
Prudential Jennison Natural Resource		108,399
Franklin Templeton Moderate Allocation		82,206
Templeton Global Bond Fund Adv Class		78,123
Goldman Sachs Mid Cap Value I		75,026
Alger Capital Appreciation-Ins		74,687
Fidelity Advisor Floating Rate Hi		73,415
T. Rowe Price Retirement 2010		72,555
Oppenheimer Developing Markets Y		70,898
BlackRock Equity Dividend Fund		70,167
AMG- Yacktman Focused Fund- Ser		68,673
AllianceBernstein Small Cap Growth		65,973
Mutual Global Discovery Z		65,381
Franklin Gold and Precious Metals		64,468
Neuberger Ber Genesis Fund Adv Cl		42,888
Federated Institutional High Yield		42,274
Franklin Templeton Conservative A		34,746
Franklin Utilites Fund		34,660
PIMCO Real Return I		30,629
BlackRock Internaltion Opportunity		26,169
Franklin Templeton Growth Allocation		24,699
Berwyn		13,236
Federated Strategic Income Instl		4,018
Manning and Napier Overseas		1,706
T. Rowe Price Retirement 2035		1,210
T. Rowe Price Retirement 2055		715
The Timothy Plan Large/Mid-Cap Value Fund Cl		498
T. Rowe Price Retirement Date 2060 Fund Inv		371
T. Rowe Price Retirement 2025		30
		5,843,650
*Notes receivable from participants, interest rates of 5.25% - 5.50% with final payments due December 2021		
		153,488
		\$ 5,997,138

* Indicates a party-in-interest as defined by ERISA.

⁽¹⁾ Cost information not required for investments in mutual funds as per special rule for certain participant directed transactions.

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Encompass Group Affiliates, Inc. 401(k) Profit Sharing Plan
Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
December 31, 2016

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Amount Withheld	Date Withheld	Date Remitted ⁽¹⁾	Contributions Not Corrected ⁽¹⁾	Contributions Corrected Outside VFCP	Contributions Pending Corrections in VFCP		
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\$ 11,569	9/21/16	9/29/16	\$ 11,569	\$ -	\$ -	\$ -	-
\$ 11,346	9/7/16	9/13/16	\$ 11,346	\$ -	\$ -	\$ -	-
\$ 11,346	8/24/16	8/31/16	\$ 11,346	\$ -	\$ -	\$ -	-
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\$ 12,090	7/13/16	7/22/16	\$ 12,090	\$ -	\$ -	\$ -	-
\$ 11,545	6/29/16	7/13/16	\$ 11,545	\$ -	\$ -	\$ -	-
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\$ 11,072	4/6/16	4/15/16	\$ 11,072	\$ -	\$ -	\$ -	-
\$ 11,350	3/23/16	4/5/16	\$ 11,350	\$ -	\$ -	\$ -	-
\$ 12,053	3/8/16	3/15/16	\$ 12,053	\$ -	\$ -	\$ -	-
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\$ 12,152	1/13/16	1/26/16	\$ 12,152	\$ -	\$ -	\$ -	-
\$ 40	1/8/16	1/11/16	\$ 40	\$ -	\$ -	\$ -	-
\$ 11,283	12/2/15	12/28/15	\$ 11,283	\$ -	\$ -	\$ -	-
\$ 13,858	11/18/15	12/7/15	\$ 13,858	\$ -	\$ -	\$ -	-
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\$ 410	2/12/09	12/30/10	\$ 410	\$ -	\$ -	\$ -	-

⁽¹⁾ Represents delinquent participant deferrals and loan repayments from pay periods ranging from 2010 through 2016.

⁽²⁾ Lost earnings of \$1,356.59 deposited on August 21, 2017.

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