Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2016

This Form is Open to Public Inspection

Part I Annual Report Identification Information

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

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

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

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

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [X] special extension (enter description) HURRICANE HARVEY RELIEF

Part II Basic Plan Information—enter all requested information

1a Name of plan
THORPE SPECIALTY SERVICES CORPORATION 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/1990

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)
THORPE SPECIALTY SERVICES CORP

6833 KIRBYVILLE ST.
HOUSTON, TX 77033

2b Employer Identification Number (EIN) 45-3454901

2c Plan Sponsor's telephone number 713-644-1247

2d Business code (see instructions) 236200

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.	01/23/2018	JOHN T STREETY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	01/23/2018	JOHN T STREETY
	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**	1227
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)**	1211
a(2) Total number of active participants at the end of the plan year	**6a(2)**	1508
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	18
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	1526
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	1526
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	421
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	1
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 2J 2F 2G 2K 3D 3H 2T

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) [X]	Insurance	**(1)** [X]	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)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

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

Receipt Confirmation Code_____

SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Insurance 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.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

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
THORPE SPECIALTY SERVICES CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THORPE SPECIALTY SERVICES CORP

D Employer Identification Number (EIN)
45-3454901

Part I **Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

1 Coverage Information:

(a) Name of insurance carrier
MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

(b) EIN	**(c)** NAIC code	**(d)** Contract or identification number	**(e)** Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	**(g)** To
04-1590850	65935	MR 61254	1526	01/01/2016	12/31/2016

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	**(b)** Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		**(e)** Organization code
	(c) Amount	**(d)** Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4	Current value of plan's interest under this contract in the general account at year end	4	
5	Current value of plan's interest under this contract in separate accounts at year end	5	0

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b	Premiums paid to carrier	6b	
c	Premiums due but unpaid at the end of the year	6c	
d	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount.	6d	

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT

b	Balance at the end of the previous year			7b	4011243
c	Additions: (1) Contributions deposited during the year	7c(1)	165602		
	(2) Dividends and credits	7c(2)	0		
	(3) Interest credited during the year	7c(3)	92756		
	(4) Transferred from separate account	7c(4)	459928		
	(5) Other (specify below)	7c(5)	75348		
	▶ LN INT, LN PRIN, LOAN DEFAULT, LOAN				
	(6) Total additions			7c(6)	793634
d	Total of balance and additions (add lines **7b** and **7c(6)**)			7d	4804877
e	Deductions:				
	(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	1403668		
	(2) Administration charge made by carrier	7e(2)	6058		
	(3) Transferred to separate account	7e(3)	0		
	(4) Other (specify below)	7e(4)	17876		
	▶ LN DISTRIB				
	(5) Total deductions			7e(5)	1427602
f	Balance at the end of the current year (subtract line **7e(5)** from line **7d**)			7f	3377275

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

a ☐ Health (other than dental or vision) **b** ☐ Dental **c** ☐ Vision **d** ☐ Life insurance
e ☐ Temporary disability (accident and sickness) **f** ☐ Long-term disability **g** ☐ Supplemental unemployment **h** ☐ Prescription drug
i ☐ Stop loss (large deductible) **j** ☐ HMO contract **k** ☐ PPO contract **l** ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:				
a Premiums: (1) Amount received	**9a(1)**			
(2) Increase (decrease) in amount due but unpaid	**9a(2)**			
(3) Increase (decrease) in unearned premium reserve	**9a(3)**			
(4) Earned (**(1)** + **(2)** - **(3)**)			**9a(4)**	
b Benefit charges (1) Claims paid	**9b(1)**			
(2) Increase (decrease) in claim reserves	**9b(2)**			
(3) Incurred claims (add **(1)** and **(2)**)			**9b(3)**	
(4) Claims charged			**9b(4)**	
c Remainder of premium: (1) Retention charges (on an accrual basis) --				
(A) Commissions	**9c(1)(A)**			
(B) Administrative service or other fees	**9c(1)(B)**			
(C) Other specific acquisition costs	**9c(1)(C)**			
(D) Other expenses	**9c(1)(D)**			
(E) Taxes	**9c(1)(E)**			
(F) Charges for risks or other contingencies	**9c(1)(F)**			
(G) Other retention charges	**9c(1)(G)**			
(H) Total retention			**9c(1)(H)**	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)			**9c(2)**	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement			**9d(1)**	
(2) Claim reserves			**9d(2)**	
(3) Other reserves			**9d(3)**	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.)			**9e**	
10 Nonexperience-rated contracts:				
a Total premiums or subscription charges paid to carrier			**10a**	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.			**10b**	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

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) ▶	
THORPE SPECIALTY SERVICES CORPORATION 401(K) PLAN		001
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
THORPE SPECIALTY SERVICES CORP	45-3454901	

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

MASSACHUSETTS MUTUAL LIFE INS. CO.

04-1590850

(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)

MASSACHUSETTS MUTUAL LIFE INS. CO.

04-1590850

(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?
52 60 63 64 72	CONTRACT ADMINISTRATOR	73704	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

THE MONROE VOS CONSULTING GROUP, IN

76-0451829

(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?
17	INVESTMENT CONSULTANT	0	Yes [X] No [ ]	Yes [ ] No [X]	30000	Yes [ ] No [X]

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

HEIN AND ASSOCIATES LLP

84-0749233

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	AUDITOR	0	Yes [X] No [ ]	Yes [ ] No [X]	14500	Yes [ ] No [X]

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	72	0

(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.
PREM U.S. GOVT MNY MKT FD BARINGS 04-3212059	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
JHANCOCK3 DISCIPL VALUE MID CAP FD 04-3279774	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
GOLDMAN SACHS SMALL CAP VALUE FUND 13-5108880	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
VICTORY MUNDER MID CP CORE GRWTH FD 20-5982541	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
DIAMOND HILL LARGE CAP FUND 31-6547095	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
T. ROWE PRICE BLUE CHIP GROWTH FUND 52-1827505	BASIS POINTS * PLAN ASSETS

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
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
EMERALD GROWTH FUND 84-0996383	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
MASSACHUSETTS MUTUAL LIFE INS. CO.	60	0

(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.
DODGE AND COX INT'L STOCK FUND 94-3390852	BASIS POINTS * PLAN ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
THE MONROE VOS CONSULTING GROUP, IN	17	30000

(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.
MASSACHUSETTS MUTUAL LIFE INS. CO. 04-1590850	PLAN RELATED EXPENSES

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
HEIN AND ASSOCIATES LLP	10	14500

(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.
MASSACHUSETTS MUTUAL LIFE INS. CO. 04-1590850	PLAN RELATED EXPENSES

(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 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
THORPE SPECIALTY SERVICES CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THORPE SPECIALTY SERVICES CORP

D Employer Identification Number (EIN)
45-3454901

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)	340940	355323
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	19026161	19342091
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	4011243	3377275
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	0
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	23378344	23074689
	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	23378344	23074689

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)	616287	
	(B) Participants	2a(1)(B)	1278945	
	(C) Others (including rollovers)	2a(1)(C)	9744	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		1904976
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)	22137	
	(F) Other	2b(1)(F)	92756	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		114893
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	0	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	713898	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		713898
	(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)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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)		603891
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		3337658
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3516760	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		3516760
f Corrective distributions (see instructions)	2f		10566
g Certain deemed distributions of participant loans (see instructions)	2g		40283
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	73579	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	125	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		73704
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		3641313
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		-303655
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: HEIN & ASSOCIATES LP **(2)** EIN: 84-0749233

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		1500000
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
THORPE SPECIALTY SERVICES CORPORATION 401(K) PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
THORPE SPECIALTY SERVICES CORP

D Employer Identification Number (EIN)
45-3454901

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): 04-1590850

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** 0

b Enter the amount contributed by the employer to the plan for this plan year **6b** 0

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** 0

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 _____/_____/_____.



TSS Investment Holdings, LLC

Consolidated Financial Statements
and Independent Auditor's Report
with Supplemental Information

December 31, 2016 and 2015

TSS INVESTMENT HOLDINGS, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
TSS Investment Holdings, LLC
Houston, Texas

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of TSS Investment Holdings, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2016 and 2015 and the related consolidated of operations and comprehensive loss, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the "financial statements").

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

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of TSS Investment Holdings, LLC and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hein & Associates LLP

Houston, Texas
June 6, 2017

TSS INVESTMENT HOLDINGS, LLC

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31, 2016	DECEMBER 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash	$ 751,671	$ 4,265,648
Accounts receivable trade, net:		
Billed (net of allowance for doubtful accounts of approximately $6,100,000 in 2016 and $-0- in 2015)	21,260,851	29,246,151
Unbilled	2,462,154	4,808,273
Other receivables	2,718,463	446,728
Inventory	4,558,662	3,398,087
Costs and estimated earnings in excess of billings on uncompleted contracts	3,354,198	1,805,510
Income tax receivable	2,721,430	–
Prepaid expenses and other current assets	1,711,297	992,416
Total current assets	39,538,726	44,962,813
PROPERTY AND EQUIPMENT, net	11,119,993	12,216,431
OTHER ASSETS:		
Intangibles, net	22,210,487	26,035,923
Goodwill	16,367,245	25,071,372
Total assets	$ 89,236,451	$ 108,286,539
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable – trade	$ 6,282,773	$ 5,638,697
Accrued expenses	4,179,510	6,358,541
Billings in excess of costs and estimated earnings on uncompleted contracts	2,266,373	568,554
Income taxes payable	–	361,427
Current portion, net	4,546,322	7,166,253
Total current liabilities	17,274,978	20,093,472
LONG-TERM DEBT, net of current portion, net	40,408,890	52,943,406
SUBORDINATED DEBT	1,535,783	–
OTHER LONG-TERM LIABILITIES	875,044	446,000
DEFERRED INCOME TAXES	1,802,539	4,042,211
Total liabilities	61,897,234	77,525,089
COMMITMENTS AND CONTINGENCIES (Notes 8, 9 and 10)		
MEMBERS' EQUITY	27,339,217	30,761,450
Total liabilities and members' equity	$ 89,236,451	$ 108,286,539

See accompanying notes to these consolidated financial statements.

TSS INVESTMENT HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	YEARS ENDED DECEMBER 31,	
	2016	2015
REVENUES–		
Contract revenues	$ 155,240,583	$ 175,454,338
OPERATING EXPENSES:		
Cost of sales	111,241,853	130,433,807
Warehouse and equipment	3,348,105	4,649,525
Truck and delivery	202,296	336,480
Impairment of goodwill	8,704,126	–
Provision for bad debt	6,100,000	–
Selling, general and administrative expenses	41,871,603	37,734,033
Total operating expenses	171,467,983	173,153,845
OPERATING INCOME (LOSS)	(16,227,400)	2,300,493
OTHER INCOME (EXPENSE):		
Interest expense	(3,141,992)	(2,395,191)
Other	281,867	93,211
Total other expense	(2,860,125)	(2,301,980)
LOSS BEFORE PROVISION FOR INCOME TAXES	(19,087,525)	(1,487)
PROVISION FOR INCOME TAXES (BENEFITS)	(2,816,881)	827,121
NET LOSS	(16,270,644)	(828,608)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	86,787	(1,659,024)
COMPREHENSIVE LOSS	$ (16,183,857)	$ (2,487,632)

See accompanying notes to these consolidated financial statements.

TSS INVESTMENT HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

YEARS ENDED DECEMBER 31, 2016 AND 2015

BALANCE, December 31, 2014	$ 32,103,803
Equity based compensation	145,279
Issuance of Class A units – ESC Acquisition	1,000,000
Foreign currency translation adjustments	(1,659,024)
Net loss	(828,608)
BALANCE, December 31, 2015	30,761,450
Equity based compensation	539,124
Issuance costs	(187,500)
Issuance of Class A-1units, net of subscription receivable of $90,000	12,410,000
Foreign currency translation adjustments	86,787
Net loss	(16,270,644)
BALANCE, December 31, 2016	$ 27,339,217

See accompanying notes to these consolidated financial statements.

TSS INVESTMENT HOLDINGS, LLC

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEARS ENDED DECEMBER 31, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (16,270,644)	$ (828,608)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation of property and equipment	2,216,512	2,172,167
Amortization of intangibles and deferred financing costs	4,215,405	4,171,186
Impairment of goodwill	8,704,126	–
Provision for bad debt	6,100,000	–
Equity based compensation expense	539,124	145,279
Deferred income taxes	(2,244,932)	(1,396,789)
Changes in operating assets and liabilities, net of balances from business combinations:		
Accounts receivable	4,330,251	5,260,474
Inventory	(1,116,821)	368,681
Other receivables	(2,271,736)	(116,392)
Costs and estimated earnings in excess of billings on uncompleted contracts	(1,540,728)	2,407,743
Prepaid expenses and other current assets	(710,953)	269,576
Income taxes receivable	(3,081,398)	(879,935)
Accounts payable – trade	663,395	(1,108,651)
Accrued expenses and other liabilities	151,686	(519,317)
Billing in excess of costs and estimated earnings on uncompleted contracts	1,697,819	(1,762,316)
Net cash provided by operating activities	1,381,106	8,183,098
CASH FLOWS FROM INVESTING ACTIVITIES:		
Business combinations	–	(14,073,920)
Capital expenditures	(1,182,823)	(1,530,921)
Net cash used in investing activities	(1,182,823)	(15,604,841)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of class A-1 units, net	7,059,083	–
Proceeds from subordinate debt	4,800,000	–
Debt loan costs	(536,059)	(332,000)
Proceeds from long-term debt	–	9,250,000
Payments on long term-debt	(4,875,000)	(6,000,000)
Net change on line of credit	(10,133,356)	8,156,217
Net provided by (used in) financing activities	(3,685,332)	11,074,217
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(26,928)	(941,916)
NET CHANGE IN CASH	(3,513,977)	2,710,558
CASH, beginning of year	4,265,648	1,555,090
CASH, end of year	$ 751,671	$ 4,265,648
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	$ 2,914,160	$ 2,163,466
Cash paid for taxes	$ 954,888	$ 3,729,775
NON-CASH INVESTING TRANSACTIONS:		
Contingent consideration issued for acquisition	$ –	$ 1,868,000
Earn-out payable converted into subordinate debt	$ 1,535,783	$ –
Class A-1 units issued in exchange for related bridge loans and earn-out payable	$ 5,163,417	$ –
Class A-1 units issued in exchange for notes receivable	$ 90,000	$ –
Class A units issued for acquisition	$ –	$ 1,000,000

See accompanying notes to these consolidated financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – TSS Investment Holdings, LLC ("TSSIH" or the "Company") is the parent of TSS Industrial Services, Inc., which is the holding company for Thorpe Specialty Services Corporation and its subsidiaries Thorpe International Services, Inc., Thorpe Plant Services, Inc., Thorpe Engineered Products Company, JT Thorpe Company and Clayburn Refractories, Ltd. (collectively "TSSC") as well as Industrial Plant Services, Inc. and its subsidiaries APRM, Inc. (d/b/a Plant Maintenance Services) ("PMS"), Industrial Flooring Services, Inc. ("IFSI") and Plant Industrial Services, Inc. ("PISI") (collectively "IPS").

TSSC was incorporated as a Delaware limited liability company on September 27, 2011 and prior to the Combination (discussed below) was a wholly-owned subsidiary of Thorpe Specialty Services Holdings, LLC ("TSSH"). TSSC and its subsidiaries are engaged in the installation and maintenance of refractories and acid masonry for industrial applications and the design and fabrication of specialty products which utilize high temperature textiles or insulating refractories. Services are marketed to industrial users nationally and internationally with concentration of activity in Texas, Louisiana, and Alabama. TSSC was purchased by CapStreet III, L.P. in 2010.

PMS is engaged in fiberglass fabrication, turnkey special construction, acid proofing, refractory work, prefabricated shapes, high density polyethylene pipe, non-metallic systems, tank and pipe lining and tank manufacturing. PMS has an office in Houston, Texas, an office in Saint Gabriel, Louisiana and an office in Harrison, Arkansas. IFSI is engaged in the installation of industrial flooring and re-surfacing, decorative flooring systems, wall and floor coating systems, trench and sump linings and coatings, concrete polishing and sealing, acid brick and tile systems, concrete restoration and repair, waterproofing, refractory lining and fireproofing. IFSI has one office in Dallas, Texas.

On May 1, 2014, through a series of simultaneous transactions the businesses of TSSC and IPS were combined with TSSIH being the surviving holding company (the "Combination"). Prior to the Combination, TSSC and IPS were standalone portfolio companies of Capstreet III, L.P., which had controlling representations on the boards of IPS and TSSH. For accounting purposes, the Combination was treated as a combination of entities under common control whereby the carrying amount of the net assets transferred as of the date of the Combination were recognized and the financial information presented herein was retrospectively adjusted for all periods the entities were under common control. IPS was purchased by Capstreet III, L.P. on September 1, 2013.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Combination involved a series of simultaneous transactions whereby a newly formed holding company, TSSIH, now owns TSS Industrial Holdings Inc. The Combination involved the former holding companies of TSSC, Thorpe Specialty Services Holdings, LLC ("TSSH") and IPS, IPS Investment Holdings, LLC ("IPSH"), each contributing all of their operating subsidiaries in exchange for equity interests in TSSIH. TSSH received Class A Units in TSSIH representing 56.25% of the ownership, and IPSH Class A Units representing 43.75%. The capital structures of TSSH and IPSH remain intact. That is, the owners of TSSH and IPSH prior to the Combination continued to hold their ownership interests in TSSH and IPSH, as applicable, and not directly in TSSIH. Restricted units that had been issued by TSSH or IPSH before the Combination also remained outstanding at the TSSH and IPSH levels. As a result of this structure, the pre-Combination "waterfalls" of TSSH and IPSH remained intact. Future unit issuances (including restricted units) will occur at the TSSIH level so that both TSSH pre-Combination ownership and IPSH pre-Combination ownership are diluted proportionately.

In connection and concurrently with the Combination, the separate credit facilities of each of IPS and TSSC with Amegy Bank National Association ("Amegy") were combined into a single credit facility by and between Thorpe Industrial Holdings Inc., as the borrower, and Amegy and others, as the lender. All of the subsidiaries of Thorpe Industrial Holdings Inc. (with the exception of Clayburn Refractories, Ltd. in Canada) are guarantors and pledgors under the credit facility and TSSIH is also a pledgor for its interest in Thorpe Industrial Holdings, Inc. See Note 6 for further discussion of the credit facility.

Principles of Consolidation– The consolidated financial statements include the accounts of TSSIH and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Revenue Recognition – Revenues from cost plus contracts are generally recognized at the time the products are delivered or services are performed.

Revenues from fixed priced construction contracts are recognized on the percentage-of-completion method in the ratio that costs incurred bear to total estimated costs. Contract costs include all direct material, labor, subcontracted, and equipment costs and those indirect costs related to contract performance. Taxes collected are not included in revenue, rather taxes are accrued for future remittance to governmental authorities.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The asset "costs and estimated earnings in excess of billings on uncompleted contracts" represents revenues recognized in excess of amounts billed. Such revenues are expected to be billed and collected within one year on uncompleted contracts. The liability "billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized.

Revisions in revenues, costs, profit estimates, and measurements of the extent of progress toward completion are made in the year such revisions can be reasonably estimated. At the time a loss on a contract becomes known, the entire amount of the estimated loss is accrued.

Cash and Cash Equivalents – The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2016 and 2015.

Concentrations of Credit Risk – Financial instruments that potentially subject the Company to concentrations of credit risk are primarily cash and accounts receivable. The Company places its cash deposits with financial institutions. At times, such amounts may be in excess of the financial institutions' insured limits. Management believes the financial strength of the financial institutions minimizes the credit risk related to the Company's cash deposits.

Receivables and Credit Policies – Our components of trade receivables include uncollateralized amounts billed, amounts unbilled and allowance for uncollectible accounts. Earnings are charged with a provision for doubtful accounts based on a current review of the collectability of the accounts. Accounts deemed uncollectible are applied against the allowance for doubtful accounts. The Company's valuation allowance totaled approximately $6,000,000 and $0 at December 31, 2016 and 2015, respectively.

As of December 31, 2016, other receivables includes $1,700,000 receivable related to a surety bond that was terminated; $361,000 insurance reimbursement receivable, and vendor rebates totaling approximately $114,000. As of December 31, 2015, other receivables included $321,000 of vendors rebates.

Inventory – Inventory is stated at the lower of cost (average cost) or market. The Company analyzes its inventory on a periodic basis and reserves for slow moving items as deemed necessary. Inventory consists mostly of raw materials to be used on projects completed by the Company.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill – Goodwill represents the excess of the aggregate purchase price paid by the Company in acquisitions accounted for as purchases, over the fair value of the net identifiable assets acquired. Annually, management considers qualitative factors such as profitability, current market conditions, and other relevant events to determine whether it is more likely than not that its fair value is less than its carrying value. If this qualitative analysis is positive, no quantitative impairment test is performed. During 2016, the Company identified certain triggering events or changes in circumstance that indicated the carrying amount of net assets exceeded the fair value. For the year ended December 31, 2016, the Company determined the carrying amount of net assets exceeded the fair value by using a multiple of future earnings before interest, tax, depreciation, and amortization "EBITDA" approach assessing their year-end goodwill and intangibles, and recorded an impairment loss of approximately $8,700,000.

Identifiable Intangible Assets – Included in identifiable intangible assets are backlog, non-compete agreements, trade names, trademarks, and customer lists. Backlog was amortized over a 12 month period. Trade names from the IPSH Combination have a 10 year life. The non-compete agreements and customer lists are being amortized over their estimated useful lives of three to ten years. Amortization expense for the years ended December 31, 2016 and 2015 totaled approximately $3,825,000 and $3,902,000, respectively. Trademarks are indefinite-lived assets that are not subject to amortization until its useful life is no longer indefinite. The Company evaluates at least annually to determine if events or circumstances continue to support an indefinite useful life. Trademarks are tested for impairment annually if events or changes in circumstances indicate that the asset might be impaired. The Company has incurred no such impairment losses.

Property and Equipment – Property and equipment are recorded at cost and depreciated over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the improvements. Depreciation expense for the years ended December 31, 2016 and 2015 totaled approximately $2,217,000 and $2,172,000, respectively. Depreciation is computed using the straight-line method as follows:

Building and improvements	35 years
Equipment and tools	7 years
Automotive and truck equipment	5 years
Furniture and fixtures	10 years
Computer equipment and software	4 years

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ordinary maintenance and repairs are charged to expense. Expenditures that extend the physical or economic life of the assets are capitalized. Gains and losses on the dispositions of assets are recognized in the consolidated statements of operations and comprehensive loss, and the related assets and accumulated depreciation accounts are adjusted accordingly.

Long-Lived Assets and Intangibles – The Company periodically evaluates the carrying value of long-lived assets to be held and used in the business. When facts and circumstances indicate that the carrying value of long-lived assets and intangibles become impaired, in conjunction with other quantitative and qualitative analysis, an evaluation of recovery is performed. This is performed by comparing the carrying value of such assets to projected future undiscounted cash flows associated with such assets. Upon determining that the carrying value of such assets may not be recoverable, the Company recognizes an impairment loss in the amount by which the carrying value of such assets exceeds their fair value. The Company has incurred no such impairment losses.

Deferred Loan Costs – Deferred loan costs were incurred in connection with the arrangement of the Company's credit agreement (see Note 6). Deferred loan costs are amortized using the straight-line method, which approximates the effective interest method, over the term of credit facility which is five years. The Company changed its method of accounting for the classification of debt issuance costs pursuant to the adoption of Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The Company retrospectively adopted the Accounting Standards Update for 2015. Debt financing costs are presented as a direct deduction from the carrying amount of the related debt in the accompanying consolidated balance sheets. Amortization expense for the years ended December 31, 2016 and 2015 totaled approximately $390,000 and $270,000, respectively.

Income Taxes – The Company is organized as a limited liability corporation and, accordingly, is a non-tax paying entity for federal income tax purposes. Taxable income flows through to the members, and the taxes are payable by the members.

Thorpe Industrial Holdings Inc. is organized as a C Corporation and files a consolidated U.S. federal income tax return as well as a separate return for its foreign subsidiary within its local jurisdiction. The Company's U.S. federal tax returns are subject to examination by the IRS for fiscal years ended December 31, 2014 through 2016. The Company's tax returns may also be subject to examination by state and local revenue authorities for fiscal years ended December 31, 2013 through 2016. The Company's Canadian income tax returns are

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

subject to examination by the Canadian tax authorities for fiscal years ended December 31, 2016. The Company follows the liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial statement basis and income tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

Accounting for uncertainty in income taxes prescribes a minimum threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required before being recognized in the consolidated financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting for interim periods, disclosure, and transition. The Company records estimated interest and penalties related to uncertain tax positions as a component of income tax expense. The Company does not have any significant uncertain tax positions at December 31, 2016 and 2015.

Fair Value of Financial Instruments – 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. There is a hierarchy based upon the transparency of inputs used in the valuation of an asset or liability. Classification within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The valuation hierarchy contains three levels:

- *Level 1* – Valuation inputs are unadjusted quoted market prices for identical assets or liabilities in active markets.

- *Level 2* – Valuation inputs are quoted prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets and liabilities in active markets and other observable inputs directly or indirectly related to the asset or liability being measured.

- *Level 3* – Valuation inputs are unobservable and significant to the fair value measurement.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company's fair value measurements relate to the fair value measurements of the Company's identifiable intangible assets, which are Level 3 fair value measurements.

The Company's financial instruments are cash, trade accounts receivable, accounts payable, and debt. The recorded values of cash, trade accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded values of debt approximate their fair values because interest on such debt approximates market rates.

Accounting Estimates – The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes. The financial statements include some amounts that are based on Management's best estimate and judgments. The actual results could differ from those estimates. The most significant estimates relate to estimates of costs on fixed price contracts, depreciation, allowance for doubtful accounts, intangible asset valuations and useful lives, taxes, contingencies and accruals.

Reclassifications – Certain amounts in prior year's consolidated financial statements have been reclassified to conform to current year presentation with no effect on net loss.

2. ACQUISITIONS

On April 6, 2015, the Company purchased certain assets and assumed certain liabilities of Energy Specialty Contracting, Inc. ("ESC"). ESC performs scaffolding and insulation services in Broken Arrow, Oklahoma. The purchase price was $14,170,370, of which $11,302,370 was paid in cash plus contingent consideration ("earn-out") with a fair value of $1,868,000 (level 3 fair value) on the day of purchase and issuance of Class A units valued at $1,000,000. The Company made the acquisition to expand its market share. The funds for the acquisition were obtained by drawing on the Company's revolving credit and increase in the Term Loan, see Note 6. In September 2016, the Company converted $264,217 of earn-out into 1,681,401 series A-1 Units as discussed in Note 6 and the earn-out balance of $1,535,783 was converted into subordinate debt. The Company makes quarterly interest payments at a fixed rate of 6.0%. The total outstanding subordinate debt with any unpaid interest is due on May 1, 2019.

2. ACQUISITIONS (continued)

As of December 31, 2016, the Company estimated $632,000 of additional earn-out payment which was recorded in the accrued expenses account in the accompanying balance sheet and as additional operating expense in the accompanying statement of operations for the year then ended. This was estimated based on the Company's judgement of the likelihood of their 2016 gross profit exceeding the threshold in accordance with asset purchase and contribution agreement triggering a total earn-out payment of $700,000.

The acquisition of ESC was accounted for using the purchase method of accounting. The purchase price was allocated to the assets acquired based upon their estimated fair market value at the date of acquisition and the excess of the purchase price over fair market value was allocated to goodwill which is deductible for tax purposes.

Details of the assets acquired and liabilities assumed are as follows:

Accounts receivable	$ 3,700,551
Other current assets	46,311
Property and equipment and other long-term assets	189,000
Intangibles	7,043,000
Goodwill	4,188,318
Accounts payable and accrued liabilities assumed	(996,810)
Net assets acquired	14,170,370
Equity rollover	(1,000,000)
Earn-out payable	(1,868,000)
Cash consideration	$ 11,302,370

On March 23, 2015 the Company acquired a stock of Chem-Star Industries Ltd., ("Chemstar"). Chemstar provides corrosion services in Western Canada. The purchase price was $2,771,550 which was paid out in cash. The Company made the acquisition to expand its market share. The funds for the acquisition were obtained by drawing on the Company's revolving credit facility.

The acquisition of Chemstar was accounted for using the purchase method of accounting. The purchase price was allocated to the net assets acquired based upon their estimated fair market value at the date of acquisition, and the excess of the purchase price over fair market value was allocated to goodwill.

2. ACQUISITIONS (continued)

Details of the assets acquired and liabilities assumed are as follows:

Accounts receivable	$ 373,364
Inventory	354,805
Other current assets	21,120
Property and equipment and other long-term assets	388,624
Intangibles	916,610
Goodwill	842,549
Accounts payable and accrued liabilities assumed	(125,522)
Net assets acquired	$ 2,771,550

The goodwill recognized in the purchase accounting is not deductible for income tax reporting.

3. UNCOMPLETED CONTRACTS

Costs incurred to date, estimated earnings, and the related progress billings to date on contracts in progress consisted of the following at December 31, 2016 and 2015:

	2016	2015
Costs incurred to date	$20,347,415	$19,932,290
Estimated earnings	4,240,139	289,730
Revenue recognized to date	24,587,554	20,222,020
Less: progress billings	(23,499,729)	(18,985,064)
	$ 1,087,825	$ 1,236,956

These amounts are included in the accompanying consolidated balance sheets under the following captions:

	2016	2015
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 3,354,198	$ 1,805,510
Billings in excess of costs and estimated earnings on uncompleted contracts	(2,266,373)	(568,554)
	$ 1,087,825	$ 1,236,956

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2016	2015
Land (not depreciated)	$ 1,311,646	$ 1,311,646
Buildings and improvements	5,172,645	5,063,888
Equipment and tools	9,969,506	9,701,127
Automotive and truck equipment	2,044,678	2,080,948
Furniture and fixtures	438,378	415,028
Computer equipment and software	875,395	748,990
Capital projects in progress (not depreciated)	228,760	6,668
	20,041,008	19,328,295
Less: accumulated depreciation and amortization	(8,921,015)	(7,111,864)
	$ 11,119,993	$ 12,216,431

5. INTANGIBLE ASSETS

Intangible assets consisted of the following at December 31:

	WEIGHTED AVERAGE USEFUL LIFE (Years)	2016	2015
Customer lists	3 – 10	$ 27,310,263	$ 27,310,263
Non-compete agreements	5	220,400	220,400
Backlog	1	1,159395	1,159,395
Trade names	10	5,995,606	5,995,606
Trademarks	Indefinite	2,772,500	2,772,500
		37,458,164	37,458,164
Less: accumulated amortization		(15,247,677)	(11,422,241)
		$ 22,210,487	$ 26,035,923

5. INTANGIBLE ASSETS (continued)

The following table summarizes estimated aggregate amortization expense for intangible assets subject to amortization for each of the five succeeding fiscal years ending December 31 and thereafter:

2017	$ 3,807,436
2018	2,976,035
2019	2,405,333
2020	2,403,249
2021	2,403,249
Thereafter	5,442,685
	$ 19,437,987

6. LONG-TERM DEBT

Long-term debt consisted of the following at December 31:

	2016	2015
Revolving line of credit	$ 5,000,000	$ 15,133,357
Term loan	41,125,000	46,000,000
Debt issuance cost, net	(1,169,788)	(1,023,698)
	44,955,212	60,109,659
Less: current maturities, net of debt issuance cost	(4,546,322)	(7,166,253)
	$ 40,408,890	$ 52,943,406

Prior to the Combination, TSSH's credit facility provided for a $14,500,000 revolving line of credit ("TSSH LOC") and a term loan ("TSSH Term Loan") of $12,500,000 and IPS's credit facility provided for a term loan ("IPS Term Loan") in the amount of $23,000,000 and a revolving line of credit ("IPS LOC") with total available credit of $10,000,000.

As part of the Combination, the separate credit facilities of TSSH and IPS were combined into a single credit facility with Amegy as the Administrative Agent for a group of four banks, including Amegy ("Combined Credit Agreement"). TSSIH and its subsidiaries are guarantors and pledgers under the Combined Credit Agreement which is secured by all of the Company's assets. The Combined Agreement provides for a $15,000,000 revolving line of credit ("LOC") and a term loan commitment of $45,000,000 ("Term Loan"), both of which mature on May 1, 2019.

6. LONG-TERM DEBT (continued)

During 2015, the Company entered into three amendments to its Combined Credit Agreement. The amendments modified the financial covenants, applicable interest rate and increased the term loan commitment and revolving line commitment.

During 2016, the Company entered into two amendments to its Combined Credit Agreement. The amendments modified the financial covenants, applicable interest rate and decreased revolving line commitment from $25,000,000 to $20,000,000.

The amount available under the revolving commitment is limited by the borrowing base which is determined as a percentage of eligible accounts receivable plus eligible inventory accounts. As of December 31, 2016, the borrowing base available under the revolving line of credit totaled approximately $13,000,000.

The applicable interest rate of the Credit Facility is governed by the Company's leverage ratio. The applicable interest rate is determined for any day, (i) with respect to any ABR Loan or Eurodollar Loan, as the case may be, the applicable rate per annum set forth below under the caption "ABR Spread" or "Eurodollar Spread" or "Commitment Fee Rate", as the case may be, based upon the total leverage as of the most recent determination date; but until delivery to the administrative agent of consolidated financial statements, Category 1 shall be applicable:

TOTAL LEVERAGE RATIO	ABR SPREAD	EURODOLLAR SPREAD
Category 1: greater than or equal to 4.50 to 1.00	1.75	4.25
Category 2: greater than or equal to 4.00 to 1.00 but less than 4.50 to 1.00	1.50	4.00
Category 3: greater than or equal to 3.50 to 1.00 but less than 4.00 to 1.00	1.00	3.50
Category 4: greater than or equal to 3.00 to 1.00 but less than 3.50 to 1.00	0.75	3.25
Category 5: greater than or equal to 2.50 to 1.00 but less than 3.00 to 1.00	0.50	3.00
Category 6: less than 2.50 to 1.00	0.25	2.75

As of December 31, 2016, the Company's interest rate on the term loan was approximately 5.00% and the interest rate on the revolving commitment was approximately 5.50%.

6. LONG-TERM DEBT (continued)

The combined credit agreement requires the Company to meet, among other requirements, certain financial covenants and ratios. At December 31, 2016, the Company was not in compliance with its Fixed Charge Coverage Ratio (as defined in the Credit Facility) debt covenant. As of March 31, 2017, the Company was not in compliance with its minimum Net Worth (as defined in the Credit Facility) and Fixed Charge Coverage Ratio debt covenants. On June 1, 2017, the Company entered into a sixth amendment to the combined credit agreement. The sixth amendment waived the existing defaults and extended the due date of the audited financial statements as well as changed the definition of minimum Net Worth of not less than (1) as of March 31, 2017, $21,762,849 and (2) as of the last day of each fiscal quarter thereafter, the minimum Net Worth required as of the end of the immediately preceding fiscal quarter plus 50% of the Consolidated Net Income of Borrower and its Subsidiaries (if positive) for the fiscal quarter then ending.

All of the subsidiaries of Thorpe Industrial Holdings Inc. (with the exception of Clayburn Refractories, Ltd. in Canada) are guarantors and pledgors under the credit facility and TSSIH is also a pledgor for its interest in Thorpe Industrial Holdings, Inc.

The Term Loan is due in quarterly installments of: (1) $650,000 beginning on September 30, 2016 and through December 31, 2016, (2) $1,125,000 beginning on March 31, 2017 and through June 30, 2017, (3) $1,400,000 beginning on September 31, 2017 and through December 31, 2017, (4) $1,725,000 beginning on March 31, 2018 and through September 30, 2018 and, (5) $1,950,000 beginning on December 31, 2018 and thereafter through March 31, 2019 with the remaining balance due on May 1, 2019. Repayments of Term Loan borrowings shall be accompanied by accrued interest on the amount repaid. The Company is required to repay a portion of the credit facility under certain circumstances with a portion of their excess cash flow, as defined in the combined agreement.

Future contractual scheduled maturities on the Company's debt as of December 31, 2016, are as follows:

YEARS ENDING DECEMBER 31,	
2017	$ 5,050,000
2018	7,125,000
2019	33,950,000
	$ 46,125,000

7. INCOME TAX

The components of income tax expense (benefit) for the years ended December 31, 2016 and 2015 are as follows:

	2016	2015
Current – federal and state	$ (1,265,659)	$ 1,804,798
Current – foreign	665,290	419,112
Deferred	(2,216,512)	(1,396,789)
	$ (2,816,881)	$ 827,121

Deferred income tax benefit represents the tax effect of changes to the temporary differences between tax and financial bases of assets. Significant timing differences for the years ended December 31, 2016 and 2015 consist of depreciation and intangible assets. The components and sources of approximate deferred income tax assets (liabilities) are summarized as follows:

	2016	2015
Transaction costs	$ –	$ 232,485
Accrued expenses	573,896	1,081,257
Intangibles	1,178,753	875,306
Allowance for bad debt expense	2,347,135	–
Other	667,123	226,637
Total deferred tax assets	4,766,907	2,415,685
Property and equipment	(1,868,168)	(1,393,205)
Intangibles	(4,603,436)	(5,064,691)
Other	(97,842)	–
Total deferred tax liabilities	(6,569,446)	(6,457,896)
Net deferred tax liability	$ (1,802,539)	$ (4,042,211)

Income tax included in the accompanying consolidated statements of operations and comprehensive loss differs from the amount computed by applying the statutory federal income tax rate to income before income taxes predominately due to non-deductible transaction expenses, state income tax expense, equity based compensation and the domestic production activities deduction, which are partially offset by a lower tax rate in Canada.

8. COMMITMENTS

Profit Sharing Plan – The Company sponsors a safe harbor 401(k) savings plan that covers eligible employees. The Company is required to make safe harbor matching contributions of up to 4% of total compensation. Contributions for the years ended December 31, 2016 and 2015 totaled approximately $616,000 and $646,000, respectively.

Operating Leases – The Company has non-cancelable operating leases for warehouse facilities that expire at various dates through 2024. It is anticipated that as operating leases expire, new agreements will be executed. Total rent expense for non-cancelable operating leases during the years ended December 31, 2016 and 2015 totaled $1,492,998 and $1,865,086, respectively.

Future minimum payments, by fiscal year and in the aggregate, relating to non-cancelable operating leases consist of the following at December 31, 2016:

YEARS ENDING DECEMBER 31,	
2017	$ 1,347,425
2018	1,107,917
2019	641,174
2020	641,425
2021	539,483
Thereafter	328,516
	$ 4,605,940

Litigation

The Company is subject to claims and assessments in its normal course of business and is involved in various legal proceedings which the Company believes are incidental to the conduct of its business. The Company believes that none of these proceedings in the aggregate, if adversely determined, would have a material adverse effect on the Company's financial position or results of operations.

On August 2015, the Company received a notice from National Asbestos Workers Pension Fund. The notice asserted that the Company experienced a complete withdrawal of $820,527 liability within the meaning of ERISA. This matter was resolved via an executed confidential agreement for $475,000 in April 2016. The Company recorded the liability relating to this withdrawal assessment as of December 31, 2015 and is included in accrued expenses and selling, general and administrative expenses in the accompanying financial statements as of and for the year ended December 31, 2015.

8. COMMITMENTS (continued)

The Company settled litigation in September 2016 for $1,250,000 of which $500,000 was paid in 2016 and the remaining payments will be paid in two installment of $375,000 in 2017 and 2018. The Company recorded $1,250,000 settlement expense which is included in selling, general and administrative expenses in the accompanying financial statements for the year ended December 31, 2016. As of December 31, 2016 the remaining 2017 payment of $375,000 is included in accrued expenses and the remaining 2018 payment of $375,000 is included in other long-term liabilities.

9. MEMBERS' EQUITY

The Company may issue units having such rights, preferences and designations, and for such consideration, as the Company's board of directors approves. All issuances and designations require board approval. The Limited Liability Company Agreement ("LLC Agreement") of the Company created as a result of the Combination discussed in Note 1 created two classes of units: Class A Units and Class B Units. The capital structures of TSSH and IPSH remained intact after the Combination whereby the owners of TSSH and IPSH prior to the Combination continued to hold their ownership interests in TSSH and IPSH, as applicable, and not directly in TSSIH. Restricted Units that had been issued by TSSH and IPSH before the Combination also remained outstanding at the TSSH and IPSH levels. As a result of this structure, the pre-Combination "waterfalls" of TSSH and IPSH remained intact. Future unit issuances will occur at the TSSIH level so that both TSSH pre-Combination ownership and IPSH pre-Combination ownership are diluted proportionately.

Class A-1 Units – In September 2016, the board designated a new series of units – Class A-1, 12% preferred return units, and the board authorized the issuance of 79,546,415 Class A-1 units at a unit price of $.1571 per unit for aggregate purchase price of $12,500,000 in conjunction with the debt amendments as discussed in Note 6. The Company issued 46,115,176 Class A-1 Units in September 2016 for cash proceeds totaling $7,246,583, 31,177,104 Class A-1 Units to CapStreet for conversion of a bridge loan totaling $4,899,200 (see Note 10) and 1,681,401 for conversion of earn-out payable totaling $264,217. In addition, the Company issued 572,734 Class A-1 units in exchange for a note receivable totaling $90,000.

The Company is authorized to issue as many Class A-1 units as the board approves. As of December 31, 2016, there were 79,546,415 Class A-1 units outstanding.

Class A Units – The Company issued 26,407,000 Class A Units to TSSH and 20,538,000 Class A Units to IPSH in the Combination.

9. MEMBERS' EQUITY (continued)

The Company issued 1,039,636 Class A Units on April 6, 2015 in the ESC acquisition as discussed in Note 2.

The Company is authorized to issue as many Class A units as the board approves. As of December 31, 2016 and 2015 there were 47,984,636 Class A units outstanding.

Class B Units ("Incentive Units") – Incentive unit interests are nonvoting, can be held by officers, directors, employees or other parties who are employed by or perform services on behalf of the Company or its subsidiaries. The incentive units are intended to constitute "profits interest" within the meaning of the Internal Revenue Code. The Company is authorized to issue as many Class B units as the board approves. During 2016 and 2015 the board approved and the Company granted 15,336,367 and 1,580,000 incentive units, respectively. All units vest ratably over five years. During 2016, 449,011 units were forfeited. As of December 31, 2016 the Company had 18,017,469 incentive units outstanding, of which, 1,440,781 are fully vested.

During the years ended December 31, 2016 and 2015, the Company recognized non-cash compensation expense of approximately $539,000 and $145,000 related to its incentive units.

Distributions – Available cash, as defined in the LLC Agreement and other property shall be distributed to the Members at the time the board of directors approves the distribution. Distributions shall be made in respect of all Class A Units, Class A-1 units and Eligible Class B Units outstanding at the time of the distribution. Distributions shall first be made to the holders of Class A-1 units for their preferred return; second to the holders of Class A-1 unit holders for their initial investment and afterwards to holders Class A and Class B units.

Profits – The LLC Agreement of the Company stipulates allocations of net profits and losses among the members.

Voting – The LLC Agreement states Class A units and any other series of units that are designated by the board of directors have voting rights. Only the Series A units, excluding A units issued to management, have voting rights.

Liquidation – The LLC Agreement states, if any Class A-1 units are not redeemed as a result of the foregoing provision, 12% preferred return amount will continue to accrue on Class A-1 units until (and including) the date on which such Class A-1 units are, in fact, redeemed.

10. RELATED PARTY TRANSACTIONS

The Company purchased approximately $638,256 and $949,000 of product from an affiliate through common ownership, in 2016 and 2015, respectively.

The Company has an agreement with Capstreet Management, L.P. that requires the Company to pay a corporate transaction fee related to certain Corporate Transactions, as defined in the agreement. The fees due are 1.5% of the gross proceeds from future financings or acquisition or disposition transaction value, whichever is greater or whichever Capstreet management elects to have apply. In July 2016, the Company had a promissory note with Capstreet for $4,800,000. This promissory note along with its accrued interest was exchanged for 31,177,104 Series A-1 units in September 2016 as discussed in Note 9. During 2015, the Company paid Capstreet $165,000, of which $123,750 is classified as deferred loan costs in the accompanying consolidated balance sheet and $41,250 was expensed as transaction costs related to the acquisitions.

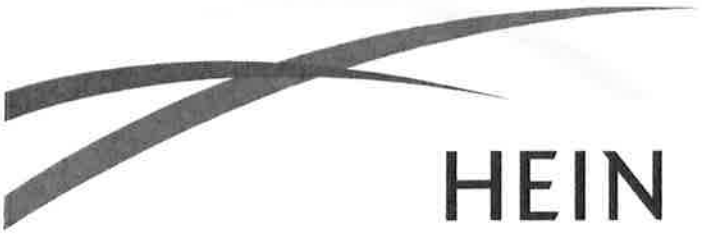
In September 2016, the Company converted the part of earn-out payable of $1,868,000 with its employees (formed owners of ESC) into subordinate debt of $1,535,783 at an interest rate of 6%. The principal balance of subordinate debt and any unpaid interest is due on May 1, 2019. The remaining balance of earn-out payable balance of $264,217 was converted into 1,681,400 Series A-1 units in September 2016 as discussed in Note 9.

11. SUBSEQUENT EVENTS

On June 1, 2017, the Company entered into a sixth amendment to the combined credit agreement (see Note 6). The sixth amendment waived the existing defaults and extended the due date of the audited financial statements as well as changed the definition of minimum Net Worth of not less than (1) as of March 31, 2017, $21,762,849 and (2) as of the last day of each fiscal quarter thereafter, the minimum Net Worth required as of the end of the immediately preceding fiscal quarter plus 50% of the Consolidated Net Income of Borrower and its Subsidiaries (if positive) for the fiscal quarter then ending.

Subsequent events have been updated through June 6, 2017, the date which these consolidated financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



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INDEPENDENT'S AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors and Members
TSS Investment Holdings, LLC

We have audited the consolidated financial statements of TSS Investment Holdings, LLC and subsidiaries (the Company) as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Hein & Associates LLP

Houston, Texas
June 6, 2017

TSS INVESTMENT HOLDINGS, LLC

CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2016

	TSS Industrial Holdings Inc.	Thorpe Specialty Services Corp	J T Thorpe Co.	Thorpe Plant Services, Inc.	Thorpe Int'l Services, Inc.	Clayburn Refractories, Ltd.	Thorpe Engineered Products Co.	Industrial Flooring Services, Inc.	Eliminations	TSS Investment Holdings, LLC
Current:										
Cash	$ -	$ 439,147	$ (69,889)	$ (208,196)	$ -	$ 616,805	$ (2,040)	$ (24,156)	$ -	$ 751,671
Accounts receivable trade, net:	-	154	2,461,417	15,418,216	24,371	1,838,810	329,678	1,429,071	(240,866)	21,260,851
Unbilled receivables	-	-	316,842	1,968,304	-	208,926	-	(31,918)	-	2,462,154
Accounts receivable-intercompany	-	-	3,110,701		1,242,281	-	-	241,410	(4,594,392)	-
Accounts receivable-affiliate	58,330,767	-	-	-	-	-	-	-	(58,330,767)	-
Other receivables	-	201,574	33,227	542,701	29,321	1,620,677	212,338	78,625	-	2,718,463
Inventory	-	-	430,588	1,920,262	-	1,595,517	508,807	103,488	-	4,558,662
Costs and estimated earnings in excess of billings on uncompleted contracts	-	-	358,156	2,692,044	50,669	82,249	(12,347)	183,427	-	3,354,198
Income tax receivable	55,039	2,488,955	-	-	-	177,436	-	-	-	2,721,430
Prepaid expenses and other current assets	-	1,436,409	13,422	39,086	1,503	219,374	-	1,503	-	1,711,297
Total current assets	58,385,806	4,566,239	6,654,464	22,372,417	1,348,145	6,359,794	1,036,436	1,981,450	(63,166,025)	39,538,726
Investments	13,908,619	16,205,599	-	-	-	-	-	-	(30,114,218)	-
Property and Equipment (net):										
Land	-	865,000	-	379,768	-	68,885	-	-	-	1,313,653
Buildings & improvements	-	2,788,249	15,259	1,566,039	-	308,812	11,744	-	-	4,690,103
Equipment	-	6,424	133,512	2,962,585	-	364,443	261,121	152,716	-	3,880,801
Autos & trucks	-	11,772	20,893	563,428	-	50,849	-	38,115	-	685,057
Furniture & fixtures	-	28,221	994	141,460	-	46,990	660	-	-	218,325
Computers	-	220,719	21,122	71,686	-	18,527	-	-	-	332,054
Total property and equipment (net)	-	3,920,385	191,780	5,684,966	-	858,506	273,525	190,831	-	11,119,993
Other Assets										
Intangibles, net	-	10,793,333	1,999,400	7,013,347	-	2,404,407	-	-	-	22,210,487
Goodwill	-	8,612,720	869,716	4,619,404	-	2,265,405	-	-	-	16,367,245
Total assets	$ 72,294,425	$ 44,098,276	$ 9,715,360	$ 39,690,134	$ 1,348,145	$ 11,888,112	$ 1,309,961	$ 2,172,281	$ (93,280,243)	$ 89,236,451
Current:										
Accounts payable trade	$ -	$ 668,997	$ 581,576	$ 4,043,473	$ 1,503	$ 676,268	$ 144,465	$ 407,357	$ (240,866)	$ 6,282,773
Accounts payable-intercompany	-	1,529,894	-	2,133,912	-	-	930,586	-	(4,594,392)	-
Accounts payable-affiliate	-	48,934,785	3,360	5,457,880	-	630,327	-	390,507	(55,416,859)	-
Accrued expenses	-	1,965,292	109,048	1,747,621	52,307	244,163	6,040	55,039	-	4,179,510
Billings in excess of costs and estimated earnings on uncompleted contracts	-	-	32,779	2,148,760	13,983	12,516	-	58,335	-	2,266,373
Current portion, net	4,546,322	-	-	-	-	-	-	-	-	4,546,322
Total current liabilities	4,546,322	53,098,968	726,763	15,531,646	67,793	1,563,274	1,081,091	911,238	(60,252,117)	17,274,978
Long term liabilities:										
Long term debt, net of current, net	40,408,890	-	-	-	-	2,913,908	-	-	(2,913,908)	40,408,890
Subordinated debt	-	-	-	1,535,783	-	-	-	-	-	1,535,783
Other long-term liabilities	-	875,044	-	-	-	-	-	-	-	875,044
Deferred income taxes	-	1,802,539	-	-	-	-	-	-	-	1,802,539
Total liabilities	44,955,212	55,776,551	726,763	17,067,429	67,793	4,477,182	1,081,091	911,238	(63,166,025)	61,897,234
Members' Equity	27,339,213	(11,678,275)	8,988,597	22,622,705	1,280,352	7,410,930	228,870	1,261,043	(30,114,218)	27,339,217
Total liabilities and members' equity	$ 72,294,425	$ 44,098,276	$ 9,715,360	$ 39,690,134	$ 1,348,145	$ 11,888,112	$ 1,309,961	$ 2,172,281	$ (93,280,243)	$ 89,236,451

TSS INVESTMENT HOLDINGS, LLC

CONSOLIDATING STATEMENT OF OPERATIONS

DECEMBER 31, 2016

	TSS Industrial Holdings Inc.	Thorpe Specialty Services Corp	J T Thorpe Co.	Thorpe Plant Services, Inc.	Thorpe Int'l Services, Inc.	Clayburn Refractories, Ltd.	Thorpe Engineered Products Company	Industrial Flooring Services, Inc.	Eliminations	TSS Investment Holdings LLC
REVENUES–										
Contract revenues	$ –	$ –	$20,266,975	$ 106,598,332	$ 138,813	$23,721,433	$ 2,048,576	$ 5,608,495	$ (3,142,041)	$ 155,240,583
OPERATING EXPENSES:										
Cost of sales	–	9,733	14,941,540	77,115,424	129,702	17,303,476	1,421,867	3,462,152	(3,142,041)	111,241,853
Warehouse and equipment	–	20,459	602,664	2,046,734	–	269,223	85,337	323,688	–	3,348,105
Truck and delivery	–	–	37,301	86,370	–	55,151	–	23,474	–	202,296
Impairment of goodwill	–	8,704,126	–	–	–	–	–	–	–	8,704,126
Provision for bad debt	–	–	–	6,100,000	–	–	–	–	–	6,100,000
Selling, general and administrative expenses	–	16,040,162	2,913,162	17,475,482	25,125	4,181,713	413,313	822,646	–	41,871,603
Total operating expenses	–	24,774,480	18,494,667	102,824,010	154,827	21,809,563	1,920,517	4,631,960	(3,142,041)	171,467,983
OPERATING INCOME (LOSS)	–	(24,774,480)	1,772,308	3,774,322	(16,014)	1,911,870	128,059	976,535	–	(16,227,400)
OTHER INCOME (EXPENSE):										
Interest expense	–	(3,092,544)	–	–	–	(49,448)	–	–	–	(3,141,992)
Other	–	19,529	13,558	186,125	–	62,655	–	–	–	281,867
Total other income (expense)	–	(3,073,015)	13,558	186,125	–	13,207	–	–	–	(2,860,125)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES	–	(27,847,495)	1,785,866	3,960,447	(16,014)	1,925,077	128,059	976,535	–	(19,087,525)
PROVISION (BENEFIT) FOR INCOME TAXES	–	(8,385,691)	681,065	4,056,892	(711)	412,808	44,923	373,833	–	(2,816,881)
NET INCOME (LOSS)	–	(19,461,804)	1,104,801	(96,445)	(15,303)	1,512,269	83,136	602,702	–	(16,270,644)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	–	–	–	–	–	86,787	–	–	–	86,787
NET INCOME (LOSS)	$ –	$ (19,461,804)	$ 1,104,801	$ (96,445)	$ (15,303)	$ 1,599,056	$ 83,136	$ 602,702	$ –	$ (16,183,857)

A Name of Plan	B Three-digit plan Number
Thorpe Specialty Services Corporation 401(k) Plan	**001**
C Plan sponsor's name as shown on line 2a of Form 5500	**D Employer Identification Number**
Thorpe Specialty Services Corp	**453454901**

Schedule H, line 4i - Schedule of Assets (Held At End of Year)

(a)	(b) Identity of issue, borrower, lessor, or similar part	(c) Description of investment including maturity date, rate of interest,collateral, par, or maturity value	(d) Cost	(e) Current Value
*	MassMutual	Guaranteed Interest Account	3,377,275	3,377,275
*	MassMutual Premier	Holding Account - MF-G	0	10
*	T. Rowe Price	MF-1004	2,838,771	3,092,011
*	John Hancock	MF-1259	1,070,103	1,194,117
*	PIMCO Funds	MF-165	0	26
*	Vanguard	MF-168	1,383,924	1,522,174
*	Dodge & Cox	MF-202	2,228,812	2,041,286
*	Diamond Hill	MF-2038	2,249,033	2,361,806
*	Emerald Funds	MF-3168	776,305	798,340
*	American Beacon	MF-3646	5,871,044	5,883,191
*	Munder Funds	MF-508	1,567,170	1,321,071
*	Goldman Sachs	MF-JZC	1,052,470	1,128,059
	Participant Loans	3.250000 - 12.000000	0	355,323

A Name of Plan	B Three-digit Plan Number
Thorpe Specialty Services Corporation 401(k) Plan	**001**
C Plan sponsor's name as shown on line 2a of Form 5500	**D Employee Identification Number**
Thorpe Specialty Services Corp	**453454901**

Schedule H, line 4j - Schedule of Reportable Transactions

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease Rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
PIMCO Fun	MF-165	0	3,635,689		0	6,430,154	3,635,689	(2,794,465)
American B	MF-3646	3,635,689	0		0	0	0	0

A Name of Plan	B Three-digit plan Number
Thorpe Specialty Services Corporation 401(k) Plan	**001**
C Plan sponsor's name as shown on line 2a of Form 5500	**D Employer Identification Number**
Thorpe Specialty Services Corp	**453454901**

Schedule C Formula Description and/or EIC Statement Description

Service Provider Name	Service Provider EIN	Service Provider Address	Formula / EIC Statement
American Beacon	752401150		MassMutual provided the Plan with the required written disclosure for Management Fees received by American Beacon with respect to AB Garcia Hamilton Qulty Bd Fd (MF-3646).
Diamond Hill	316547095		MassMutual provided the Plan with the required written disclosure for Management Fees received by Diamond Hill with respect to Diamond Hill Large Cap Fund (MF-2038).
Dodge & Cox	943390852		MassMutual provided the Plan with the required written disclosure for Management Fees received by Dodge & Cox with respect to Dodge & Cox Int'l Stock Fund (MF-202).
Emerald Funds	840996383		MassMutual provided the Plan with the required written disclosure for Management Fees received by Emerald Funds with respect to Emerald Growth Fund (MF-3168).
Goldman Sachs	135108880		MassMutual provided the Plan with the required written disclosure for Management Fees received by Goldman Sachs with respect to Goldman Sachs Small Cap Value Fund (MF-JZC).
John Hancock	043279774		MassMutual provided the Plan with the required written disclosure for Management Fees received by John Hancock with respect to JHancock3 Discipl Value Mid Cap Fd (MF-1259).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Goldman Sachs Small Cap Value Fund (MF-JZC).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to JHancock3 Discipl Value Mid Cap Fd (MF-1259).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the plan with the required written disclosure for 12b-1 Fees received by MassMutual with respect to Victory Munder Mid-Cp Core Grwth Fd (MF-508).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the Plan with the required written disclosure for float revenue received by MassMutual.
Massachusetts Mutual Life Insurance Company	041590850		MassMutual provided the Plan with the required written disclosure for Management Fees received by MassMutual with respect to Prem U.S. Govt Mny Mkt Fd (Barings) (MF-G).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Administrative Fees of (10 basis points * plan assets) with respect to Prem U.S. Govt Mny Mkt Fd (Barings) (MF-G).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (10 basis points * plan assets) with respect to Diamond Hill Large Cap Fund (MF-2038).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (10 basis points * plan assets) with respect to Dodge & Cox Int'l Stock Fund (MF-202).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (15 basis points * plan assets) with respect to T. Rowe Price Blue Chip Growth Fund (MF-1004).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (25 basis points * plan assets) with respect to Emerald Growth Fund (MF-3168).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (25 basis points * plan assets) with respect to JHancock3 Discipl Value Mid Cap Fd (MF-1259).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (30 basis points * plan assets) with respect to Goldman Sachs Small Cap Value Fund (MF-JZC).
Massachusetts Mutual Life Insurance Company	041590850		MassMutual received estimated Sub-TA Fees of (30 basis points * plan assets) with respect to Victory Munder Mid-Cp Core Grwth Fd (MF-508).
PIMCO Funds	330239892		MassMutual provided the Plan with the required written disclosure for Management Fees received by PIMCO Funds with respect to PIMCO Total Return Fund (MF-165).
T. Rowe Price	521827505		MassMutual provided the Plan with the required written disclosure for Management Fees received by T. Rowe Price with respect to T. Rowe Price Blue Chip Growth Fund

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		(MF-1004).
Vanguard	231999755	MassMutual provided the Plan with the required written disclosure for Management Fees received by Vanguard with respect to Vanguard 500 Index Fund (MF-168).
Victory	205982541	MassMutual provided the Plan with the required written disclosure for Management Fees received by Victory with respect to Victory Munder Mid-Cp Core Grwth Fd (MF-508).

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Schedule C Soft Dollar Compensation
Eligible Indirect Compensation Statement

Mutual fund investments of the plan (whether direct or indirect through a separate investment account) may have soft dollar arrangements pursuant to which the investment advisor or sub-advisor to the mutual fund (and/or its affiliates) may direct trades to certain brokers in exchange for research and other services, other than just trade execution. For plans investing directly or indirectly in the MassMutual Premier or Select Funds, MassMutual provided the required written disclosure regarding soft dollar compensation on the Schedule C Formula Description and/or EIC Statement Description Attachment. For all other mutual funds, MassMutual provided the required written disclosure in the Statement of Additional Information ("SAI").

For additional information on soft dollar compensation, refer to the section of the mutual fund's SAI that discusses brokerage allocation and other practices.

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