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

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PREFERRED HOTEL GROUP, INC. 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 07/01/1990

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)

PREFERRED HOTEL GROUP, INC.

23 CORPORATE PLAZA
SUITE 190
NEWPORT BEACH, CA 92660

2b Employer Identification Number (EIN)
36-4411818

2c Plan Sponsor's telephone number
949-999-9406

2d Business code (see instructions)
541990

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/01/2018	HIREN CHANDIRAMANI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:
a Sponsor's name
c Plan Name

4b EIN

4d PN

5 Total number of participants at the beginning of the plan year	**5**	229
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)**	168
a(2) Total number of active participants at the end of the plan year	**6a(2)**	170
b Retired or separated participants receiving benefits	**6b**	1
c Other retired or separated participants entitled to future benefits	**6c**	70
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	241
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	241
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	227
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	21
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:

3D 2E 2F 2G 2J 2K 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)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

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

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] 0 **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [ ] **D** (DFE/Participating Plan Information)

(6) [ ] **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2017** **This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PREFERRED HOTEL GROUP, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PREFERRED HOTEL GROUP, INC.

D Employer Identification Number (EIN)
36-4411818

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

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 60 64 65	RECORDKEEPER	1244	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

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

HIGHTOWER SECURITIES LLC

26-2270729

(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?
55	ADVISOR	0	Yes [X] No [ ]	Yes [X] No [ ]	36851	Yes [ ] No [X]

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
C&S REAL ESTATE I - BOSTON FINANCI 52-2269240	0.10%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
CALMOS MKT NEU/INC A - US BANCORP 39-0281260	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
COL MID CAP IDX A - COLUMBIA MGT I PO BOX 8081 BOSTON, MA 02266	0.10%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
EV FLTNG RT&HI INC A - BNY MELLON P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
FRANKLIN DYNATECH A - FRANKLIN TEM 94-3167260	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
INVS EQL WT S&P500 A - INVESCO INV 11 GREENWAY PLAZA, SUITE 100 HOUSTON, TX 77046	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
J H TRITON T - JANUS SERVICES LLC 43-1804048	0.35%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
JH DSCPL VAL MDCP A - JOHN HANCOCK 01-0233346	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
JHANCOCK INCOME A - JOHN HANCOCK S 01-0233346	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
JPM HIGH YIELD A - BOSTON FINANCIA P.O. BOX 8480 BOSTON, MA 02266	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS EMRG MKT DEBT R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS INTL VALUE R3 - MFS SERVICE CE 04-2865649	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME INC R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2020 R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2025 R3 - MFS SERVICE 04-2865649	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2030 R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2035 R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2040 R3 - MFS SERVICE 04-2865649	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2045 R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2050 R3 - MFS SERVICE 04-2865649	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
MFS LIFETIME 2055 R3 - MFS SERVICE 04-2865649	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
NATIXIS ASG MGDFUT A - DST ASSET M	P.O. BOX 8406 BOSTON, MA 02266	0.30%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
OPPHMR DEV MKTS A - OFI GLOBAL ASS	225 LIBERTY STREET NEW YORK, NY 10281	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
OPPHMR INTL GROWTH A - OFI GLOBAL	225 LIBERTY STREET NEW YORK, NY 10281	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
PIM REAL RETURN A - BOSTON FINANCI	P.O. BOX 8480 BOSTON, MA 02266	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
PIMCO COMM REL RET A - BOSTON FINA	P.O. BOX 8480 BOSTON, MA 02266	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
PIMCO GNMA A - BOSTON FINANCIAL DA	P.O. BOX 8480 BOSTON, MA 02266	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
PRU GLOBAL RE Z - PRUDENTIAL MUTUA 22-3703799	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
PUTN EQUITY INCOME A - PUTNAM INVE 04-2539562	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
TMPL GLOBAL BOND A - FRANKLIN TEMP 94-3167260	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
UM BEHAVIORAL VAL A - DST ASSET MA	P.O. BOX 8406 BOSTON, MA 02266	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
VI FD FOR INCOME I - FIS INVESTOR	4249 EASTON WAY, SUITE 400 COLUMBUS, OH 43219	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
VT INTL SM CAP A - FIS INVESTOR SE	4249 EASTON WAY, SUITE 400 COLUMBUS, OH 43219	0.25%

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
WA CORE BOND A - BNY MELLON INVEST	P.O. BOX 9793 PROVIDENCE, RI 02940	0.25%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	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.
WF GROWTH A - BOSTON FINANCIAL DAT	P.O. BOX 8480 BOSTON, MA 02266	0.30%

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
HIGHTOWER SECURITIES LLC	55	36851

(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.
NATIONAL FINANCIAL SERVICES LLC 04-3523567	

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)

Department of the Treasury
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

2017

This Form is Open to Public Inspection

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PREFERRED HOTEL GROUP, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PREFERRED HOTEL GROUP, INC.

D Employer Identification Number (EIN)
36-4411818

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	420636	402154
(2) Participant contributions	1b(2)	0	41860
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	252225	214438
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans	1c(8)	190400	195903
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	13266005	17000290
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	**1d(1)**	0	0
	(2) Employer real property	**1d(2)**	0	0
e	Buildings and other property used in plan operation	**1e**	0	0
f	Total assets (add all amounts in lines 1a through 1e)	**1f**	14129266	17854645
	Liabilities			
g	Benefit claims payable	**1g**	0	0
h	Operating payables	**1h**	0	0
i	Acquisition indebtedness	**1i**	0	0
j	Other liabilities	**1j**	0	0
k	Total liabilities (add all amounts in lines 1g through1j)	**1k**	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	**1l**	14129266	17854645

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)**	729868	
	(B) Participants	**2a(1)(B)**	1291176	
	(C) Others (including rollovers)	**2a(1)(C)**	404607	
	(2) Noncash contributions	**2a(2)**	0	
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	**2a(3)**		2425651
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	**2b(1)(A)**	497	
	(B) U.S. Government securities	**2b(1)(B)**	0	
	(C) Corporate debt instruments	**2b(1)(C)**	0	
	(D) Loans (other than to participants)	**2b(1)(D)**	0	
	(E) Participant loans	**2b(1)(E)**	5591	
	(F) Other	**2b(1)(F)**	0	
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	**2b(1)(G)**		6088
	(2) Dividends: **(A)** Preferred stock	**2b(2)(A)**	0	
	(B) Common stock	**2b(2)(B)**	0	
	(C) Registered investment company shares (e.g. mutual funds)	**2b(2)(C)**	677039	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	**2b(2)(D)**		677039
	(3) Rents	**2b(3)**		0
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	**2b(4)(A)**	0	
	(B) Aggregate carrying amount (see instructions)	**2b(4)(B)**	0	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	**2b(4)(C)**		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	**2b(5)(A)**	0	
	(B) Other	**2b(5)(B)**	0	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	**2b(5)(C)**		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		1827367
c Other income	2c		0
d Total income. Add all **income** amounts in column (b) and enter total	2d		4936145
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1209522	
(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)		1209522
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		0
i Administrative expenses: **(1)** Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)	1244	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1244
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1210766
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3725379
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

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

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

(1) Name: PRICEWATERHOUSE COOPERS LLP **(2)** EIN: 13-4008324

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		976
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

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

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

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.)

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

2017

This Form is Open to Public Inspection.

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A Name of plan
PREFERRED HOTEL GROUP, INC. 401(K) PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
PREFERRED HOTEL GROUP, INC.

D Employer Identification Number (EIN)
36-4411818

Part I Distributions

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

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

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

EIN(s): 04-6568107

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... | **3** |

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... | **6a** |

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

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... | **6c** |

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

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):

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Note: All other schedules of additional financial information required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and disclosures under ERISA have been omitted because they are not applicable.



Report of Independent Auditors

To the Administrator of Preferred Hotel Group 401(k) Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Preferred Hotel Group 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016 and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016 and for the year ended December 31, 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

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Disclaimer of Opinion

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

Other Matter

The supplemental Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and Schedule of Assets (Held at End of Year) as of December 31, 2017 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

PricewaterhouseCoopers LLP

Los Angeles, California
September 28, 2018

Preferred Hotel Group 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December31, 2017 and 2016

	2017	2016
Assets		
Investments in registered investment companies	$ 17,214,728	$ 13,518,230
Total investments	17,214,728	13,518,230
Receivables		
Employer discretionary contribution receivable	391,715	396,820
Participant contribution receivable	41,860	-
Employer match contribution receivable	10,439	23,816
Notes receivable from participants	195,903	190,400
Total receivables	639,917	611,036
Total assets	17,854,645	14,129,266
Net assets available for benefits	$ 17,854,645	$ 14,129,266

Preferred Hotel Group 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December31, 2017 and 2016

	2017
Additions	
Investment income	
Dividend income	$ 677,536
Net appreciation in fair value of investments	1,827,367
Total investment income	2,504,903
Interest on notes receivable from participants	5,591
Contributions	
Employer contributions	348,772
Employee contributions	1,291,176
Employer profit sharing contribution	381,096
Rollover contributions	404,607
Total contributions	2,425,651
Total additions	4,936,145
Deductions	
Benefits paid to participants	1,209,522
Administrative expenses	1,244
Total deductions	1,210,766
Net increase	3,725,379
Net assets available for plan benefits	
Beginning of period	14,129,266
End of period	$ 17,854,645

1. Description of Plan

The following description of the Preferred Hotel Group 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all U.S. employees of Preferred Hotel Group, Inc. (the "Company") who are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to 100 percent of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the calendar year are eligible to make catch-up contributions per IRS guidelines. For each of the plan years ended December 31, 2017 and 2016, the limit on employee elective deferrals was $18,000. The catch-up contribution for those age 50 and over was $6,000. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Each payroll period, the Company will make a matching contribution equal to 50 percent of the first 5 percent of base compensation that a participant contributes to the Plan. Each year, the Company may also make a discretionary employer matching contribution to the Plan. Such contribution will be allocated to participants based upon their pre-tax annual compensation. For each of the years ended December 31, 2017 and 2016, the Company contributed a discretionary employer matching contribution of $381,096 and $396,820 respectively.

Participant Accounts

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

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution is based on years of continuous service. For Company contributions, a participant becomes 20% vested after completion of one year of credited service (as defined) and continues to vest 20% annually until 100% vesting is attained after five years of credited service.

Investment Options and Participant-Directed Investments

The Company administers the Plan. Fidelity Management Trust Company ("Trustee") is the trustee and record keeper of the Plan.

Participants self-direct the investment of their accounts into registered investment company funds and a money market fund offered by the Plan with the option to reallocate account balances on a daily basis. The investment election will apply to both employee and employer contributions. Earnings shall be allocated in the ratio that a participant's account balance invested in a fund bears to the total of all account balances invested in that fund.

Notes Receivable from Participants

Participants may borrow from their account a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50 percent of their vested interest in the plan. The loans are secured by the balance in the participant's account and shall bear interest which is commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions. For each of the years ended December 31, 2017 and 2016, interest

rates on participant loans range from 3.25% to 4.25%.

Payment of Benefits
Upon attainment of age 59-1/2, participants may withdraw all or a portion of the vested portion of their accounts without penalty at any time. Upon termination of service due to retirement, death, or disability, participants may receive the vested balance in their account. Vested balances less than $5,000 are automatically distributed after employment is terminated as a lump-sum distribution. Vested balances greater than $5,000 are distributed, upon election by the participant, as a lump-sum or rollover distribution.

Forfeitures
Forfeitures will be used to reduce employer contributions. Forfeitures for the year ended December 31, 2017 and 2016 totaled $54,334 and $32,270, respectively. Forfeitures used to reduce employer contributions for the year ended December 31, 2017 were $10,276. Unallocated forfeitures in the Plan at December 31, 2017 and 2016 were $44,058 and $57, respectively.

Administrative Expenses
All administrative expenses related to the Plan are paid by the Company, with the exception of investment fees, which are included in the cost of investments, and loan processing fees, which are paid by the participant.

Recent Accounting Pronouncements
In May 2015, FASB issued ASC Update, 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent),* which removes the requirement to include investments measured using the net asset value ("NAV") practical expedient in the fair value hierarchy. The retrospective application of this guidance was made for annual periods beginning in 2017. The required adoption of this guidance resulted in no material impact to the Plan's financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting
The Plan's financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Investment Income
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits
Benefits are recorded when paid.

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

3. Fair Value Measurements

FASB Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Registered Investment Companies and Money Market Funds
These investments are valued at the closing price reported on the active market on which the individual securities are traded. These fund accounts are required to publish their daily NAV and to transact at that published price.

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

result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 17,000,290			$ 17,000,290
Interest-bearing cash	214,438	$ -	$ -	214,438
Total investment assets at fair value	$ 17,214,728	$ -	$ -	$ 17,214,728

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

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 13,266,005			$ 13,266,005
Interest-bearing cash	252,225	$ -	$ -	252,225
Total investment assets at fair value	$ 13,518,230	$ -	$ -	$ 13,518,230

4. Party-in-Interest Transactions

Certain Plan investments are managed by Fidelity Management Trust Company; therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan document provides for participant loans, which also qualify as party-in-interest transactions.

5. Tax Status

The Plan is a Non Standardized 401(k) Profit-Sharing Plan with a deferral arrangement that received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2014 which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has not requested its own determination letter from the IRS. Therefore, the Plan administrator believes that the Plan is qualified and that the related trust is tax-exempt as of the financial statement date. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

6. Termination of Plan

The Company believes the Plan will continue without interruption; however, it has the right to amend or terminate the Plan at any time (subject to the provisions of ERISA). Should the Plan be terminated, Plan assets, after allowances for expenses of administration or liquidation, are to be

allocated proportionately to each participant based on the net aggregate value of the participants' investments determined as of the date of Plan discontinuance.

7. Risks and Uncertainties

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

8. Summary of Data Certified by the Trustee of the Plan

The Plan administrator has elected the method of annual reporting compliance permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified the following data included in the financial statements, notes to financial statements, and supplemental schedule is complete and accurate:

- Investments, at fair value and notes receivable from participants at December 31, 2017 and 2016, as shown in the Statements of Net Assets Available for Benefits
- Interest and dividend income, interest on notes receivable from participants and net appreciation in fair value of investments, as shown in the Statement of Changes in Net Assets Available for Benefits
- Investment amounts, as shown in Note 3
- Schedule H, line 4i – Schedule of Assets (Held at Year End) as of December 31, 2017

9. Subsequent Events

The Plan has evaluated subsequent events through September 28, 2018, the date the financial statements were available to be issued.

Supplemental Schedules

Preferred Hotel Group 401(k) Profit Sharing Plan
EIN: 36-4411818
Plan Number: 001
Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2017

Participant contributions transfer late to the plan			Check here if late participant loan repayments are included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program and PTE 2002-51
Amount Withheld	Date Withheld	Date Remitted		Contributions not corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions pending correction in voluntary fiduciary correction program	
$ 976	12/16/2016	1/5/2017		$ -	$ -	$ 976	$ -

Preferred Hotel Group 401(k) Profit Sharing Plan
December 31, 2017
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) Schedule I

(a)	(b) Identity of Issue, Borrower Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	** (d) Cost	(e) Current Value
	MFS LIFETIME 2035 R3	Registered investment company		2,070,318
	MFS LIFETIME INC R3	Registered investment company		2,041,464
	MFS LIFETIME 2040 R3	Registered investment company		1,191,564
	MFS LIFETIME 2030 R3	Registered investment company		1,190,221
	MFS LIFETIME 2045 R3	Registered investment company		1,066,653
	MFS LIFETIME 2025 R3	Registered investment company		1,027,061
	PUTN EQUITY INCOME A	Registered investment company		826,437
	MFS INTL VALUE R3	Registered investment company		700,955
	FRANKLIN DYNATECH A	Registered investment company		700,673
	WF GROWTH A	Registered investment company		621,958
	OPPHMR DEV MKTS A	Registered investment company		615,106
	JH DSCPL VAL MDCP A	Registered investment company		531,171
	INVS EQL WT S&P500 A	Registered investment company		518,298
	MFS LIFETIME 2050 R3	Registered investment company		475,968
	MFS LIFETIME 2055 R3	Registered investment company		369,834
	J H TRITON T	Registered investment company		349,399
	COL MID CAP IDX A	Registered investment company		310,789
	MFS LIFETIME 2020 R3	Registered investment company		248,730
*	FID GOVT MMKT DM	Interest-bearing cash		214,438
*	FA MATERIALS I	Registered investment company		175,656
	JPM HIGH YIELD A	Registered investment company		175,116
	WA CORE BOND A	Registered investment company		174,034
	VT INTL SM CAP A	Registered investment company		169,700
	CALMOS MKT NEU/INC A	Registered investment company		168,126
	TMPL GLOBAL BOND A	Registered investment company		154,105
	VI FD FOR INCOME I	Registered investment company		150,769
	UM BEHAVIORAL VAL A	Registered investment company		146,686
	OPPHMR INTL GROWTH A	Registered investment company		138,045
	MFS EMRG MKT DEBT R3	Registered investment company		133,948
	JHANCOCK INCOME A	Registered investment company		122,642
	PIM REAL RETURN A	Registered investment company		99,979
	EV FLTNG RT&HI INC A	Registered investment company		70,255
	C&S REAL ESTATE I	Registered investment company		66,955
	PRU GLOBAL RE Z	Registered investment company		59,706
	PIMCO COMM REL RET A	Registered investment company		53,759
	PIMCO GNMA A	Registered investment company		43,952
	NATIXIS ASG MGDFUT A	Registered investment company		40,258
*	Notes Receivable from Participant	Interest rates ranging from 3.25% - 4.25% with various maturity dates through 2023		195,903
				$17,410,631

* Denotes party-in-interest.

** Cost information is not required for participant-directed investments and therefore has not been included in this schedule.

The information in this schedule has been certified as to its completeness and accuracy by Fidelity Management Trust Company.

Preferred Hotel Group
401(k) Profit Sharing Plan
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Note: All other schedules of additional financial information required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and disclosures under ERISA have been omitted because they are not applicable.



Report of Independent Auditors

To the Administrator of Preferred Hotel Group 401(k) Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Preferred Hotel Group 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016 and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016 and for the year ended December 31, 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

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Disclaimer of Opinion

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

Other Matter

The supplemental Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and Schedule of Assets (Held at End of Year) as of December 31, 2017 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

PricewaterhouseCoopers LLP

Los Angeles, California
September 28, 2018

Preferred Hotel Group 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December31, 2017 and 2016

	2017	2016
Assets		
Investments in registered investment companies	$ 17,214,728	$ 13,518,230
Total investments	17,214,728	13,518,230
Receivables		
Employer discretionary contribution receivable	391,715	396,820
Participant contribution receivable	41,860	-
Employer match contribution receivable	10,439	23,816
Notes receivable from participants	195,903	190,400
Total receivables	639,917	611,036
Total assets	17,854,645	14,129,266
Net assets available for benefits	$ 17,854,645	$ 14,129,266

Preferred Hotel Group 401(k) Profit Sharing Plan
Statements of Net Assets Available for Benefits
December31, 2017 and 2016

	2017
Additions	
Investment income	
Dividend income	$ 677,536
Net appreciation in fair value of investments	1,827,367
Total investment income	2,504,903
Interest on notes receivable from participants	5,591
Contributions	
Employer contributions	348,772
Employee contributions	1,291,176
Employer profit sharing contribution	381,096
Rollover contributions	404,607
Total contributions	2,425,651
Total additions	4,936,145
Deductions	
Benefits paid to participants	1,209,522
Administrative expenses	1,244
Total deductions	1,210,766
Net increase	3,725,379
Net assets available for plan benefits	
Beginning of period	14,129,266
End of period	$ 17,854,645

1. Description of Plan

The following description of the Preferred Hotel Group 401(k) Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all U.S. employees of Preferred Hotel Group, Inc. (the "Company") who are age 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Each year, participants may contribute up to 100 percent of pretax annual compensation, as defined in the Plan. Participants who have attained age 50 before the end of the calendar year are eligible to make catch-up contributions per IRS guidelines. For each of the plan years ended December 31, 2017 and 2016, the limit on employee elective deferrals was $18,000. The catch-up contribution for those age 50 and over was $6,000. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Each payroll period, the Company will make a matching contribution equal to 50 percent of the first 5 percent of base compensation that a participant contributes to the Plan. Each year, the Company may also make a discretionary employer matching contribution to the Plan. Such contribution will be allocated to participants based upon their pre-tax annual compensation. For each of the years ended December 31, 2017 and 2016, the Company contributed a discretionary employer matching contribution of $381,096 and $396,820 respectively.

Participant Accounts

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

Vesting

Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution is based on years of continuous service. For Company contributions, a participant becomes 20% vested after completion of one year of credited service (as defined) and continues to vest 20% annually until 100% vesting is attained after five years of credited service.

Investment Options and Participant-Directed Investments

The Company administers the Plan. Fidelity Management Trust Company ("Trustee") is the trustee and record keeper of the Plan.

Participants self-direct the investment of their accounts into registered investment company funds and a money market fund offered by the Plan with the option to reallocate account balances on a daily basis. The investment election will apply to both employee and employer contributions. Earnings shall be allocated in the ratio that a participant's account balance invested in a fund bears to the total of all account balances invested in that fund.

Notes Receivable from Participants

Participants may borrow from their account a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50 percent of their vested interest in the plan. The loans are secured by the balance in the participant's account and shall bear interest which is commensurate with local prevailing rates as determined by the Plan administrator. Principal and interest is paid ratably through payroll deductions. For each of the years ended December 31, 2017 and 2016, interest

rates on participant loans range from 3.25% to 4.25%.

Payment of Benefits
Upon attainment of age 59-1/2, participants may withdraw all or a portion of the vested portion of their accounts without penalty at any time. Upon termination of service due to retirement, death, or disability, participants may receive the vested balance in their account. Vested balances less than $5,000 are automatically distributed after employment is terminated as a lump-sum distribution. Vested balances greater than $5,000 are distributed, upon election by the participant, as a lump-sum or rollover distribution.

Forfeitures
Forfeitures will be used to reduce employer contributions. Forfeitures for the year ended December 31, 2017 and 2016 totaled $54,334 and $32,270, respectively. Forfeitures used to reduce employer contributions for the year ended December 31, 2017 were $10,276. Unallocated forfeitures in the Plan at December 31, 2017 and 2016 were $44,058 and $57, respectively.

Administrative Expenses
All administrative expenses related to the Plan are paid by the Company, with the exception of investment fees, which are included in the cost of investments, and loan processing fees, which are paid by the participant.

Recent Accounting Pronouncements
In May 2015, FASB issued ASC Update, 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent),* which removes the requirement to include investments measured using the net asset value ("NAV") practical expedient in the fair value hierarchy. The retrospective application of this guidance was made for annual periods beginning in 2017. The required adoption of this guidance resulted in no material impact to the Plan's financial statements.

2. Summary of Significant Accounting Policies

Basis of Accounting
The Plan's financial statements are prepared on the accrual basis of accounting.

Investment Valuation and Investment Income
Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants
Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits
Benefits are recorded when paid.

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

3. Fair Value Measurements

FASB Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Registered Investment Companies and Money Market Funds
These investments are valued at the closing price reported on the active market on which the individual securities are traded. These fund accounts are required to publish their daily NAV and to transact at that published price.

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

result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 17,000,290			$ 17,000,290
Interest-bearing cash	214,438	$ -	$ -	214,438
Total investment assets at fair value	$ 17,214,728	$ -	$ -	$ 17,214,728

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

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 13,266,005			$ 13,266,005
Interest-bearing cash	252,225	$ -	$ -	252,225
Total investment assets at fair value	$ 13,518,230	$ -	$ -	$ 13,518,230

4. Party-in-Interest Transactions

Certain Plan investments are managed by Fidelity Management Trust Company; therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan document provides for participant loans, which also qualify as party-in-interest transactions.

5. Tax Status

The Plan is a Non Standardized 401(k) Profit-Sharing Plan with a deferral arrangement that received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2014 which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has not requested its own determination letter from the IRS. Therefore, the Plan administrator believes that the Plan is qualified and that the related trust is tax-exempt as of the financial statement date. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

6. Termination of Plan

The Company believes the Plan will continue without interruption; however, it has the right to amend or terminate the Plan at any time (subject to the provisions of ERISA). Should the Plan be terminated, Plan assets, after allowances for expenses of administration or liquidation, are to be

allocated proportionately to each participant based on the net aggregate value of the participants' investments determined as of the date of Plan discontinuance.

7. Risks and Uncertainties

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

8. Summary of Data Certified by the Trustee of the Plan

The Plan administrator has elected the method of annual reporting compliance permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified the following data included in the financial statements, notes to financial statements, and supplemental schedule is complete and accurate:

- Investments, at fair value and notes receivable from participants at December 31, 2017 and 2016, as shown in the Statements of Net Assets Available for Benefits
- Interest and dividend income, interest on notes receivable from participants and net appreciation in fair value of investments, as shown in the Statement of Changes in Net Assets Available for Benefits
- Investment amounts, as shown in Note 3
- Schedule H, line 4i – Schedule of Assets (Held at Year End) as of December 31, 2017

9. Subsequent Events

The Plan has evaluated subsequent events through September 28, 2018, the date the financial statements were available to be issued.

Supplemental Schedules

Preferred Hotel Group 401(k) Profit Sharing Plan
EIN: 36-4411818
Plan Number: 001
Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2017

Participant contributions transfer late to the plan			Check here if late participant loan repayments are included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program and PTE 2002-51
Amount Withheld	Date Withheld	Date Remitted		Contributions not corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions pending correction in voluntary fiduciary correction program	
$ 976	12/16/2016	1/5/2017		$ -	$ -	$ 976	$ -

Preferred Hotel Group 401(k) Profit Sharing Plan
December 31, 2017
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) Schedule I

(a)	(b) Identity of Issue, Borrower Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	** (d) Cost	(e) Current Value
	MFS LIFETIME 2035 R3	Registered investment company		2,070,318
	MFS LIFETIME INC R3	Registered investment company		2,041,464
	MFS LIFETIME 2040 R3	Registered investment company		1,191,564
	MFS LIFETIME 2030 R3	Registered investment company		1,190,221
	MFS LIFETIME 2045 R3	Registered investment company		1,066,653
	MFS LIFETIME 2025 R3	Registered investment company		1,027,061
	PUTN EQUITY INCOME A	Registered investment company		826,437
	MFS INTL VALUE R3	Registered investment company		700,955
	FRANKLIN DYNATECH A	Registered investment company		700,673
	WF GROWTH A	Registered investment company		621,958
	OPPHMR DEV MKTS A	Registered investment company		615,106
	JH DSCPL VAL MDCP A	Registered investment company		531,171
	INVS EQL WT S&P500 A	Registered investment company		518,298
	MFS LIFETIME 2050 R3	Registered investment company		475,968
	MFS LIFETIME 2055 R3	Registered investment company		369,834
	J H TRITON T	Registered investment company		349,399
	COL MID CAP IDX A	Registered investment company		310,789
	MFS LIFETIME 2020 R3	Registered investment company		248,730
*	FID GOVT MMKT DM	Interest-bearing cash		214,438
*	FA MATERIALS I	Registered investment company		175,656
	JPM HIGH YIELD A	Registered investment company		175,116
	WA CORE BOND A	Registered investment company		174,034
	VT INTL SM CAP A	Registered investment company		169,700
	CALMOS MKT NEU/INC A	Registered investment company		168,126
	TMPL GLOBAL BOND A	Registered investment company		154,105
	VI FD FOR INCOME I	Registered investment company		150,769
	UM BEHAVIORAL VAL A	Registered investment company		146,686
	OPPHMR INTL GROWTH A	Registered investment company		138,045
	MFS EMRG MKT DEBT R3	Registered investment company		133,948
	JHANCOCK INCOME A	Registered investment company		122,642
	PIM REAL RETURN A	Registered investment company		99,979
	EV FLTNG RT&HI INC A	Registered investment company		70,255
	C&S REAL ESTATE I	Registered investment company		66,955
	PRU GLOBAL RE Z	Registered investment company		59,706
	PIMCO COMM REL RET A	Registered investment company		53,759
	PIMCO GNMA A	Registered investment company		43,952
	NATIXIS ASG MGDFUT A	Registered investment company		40,258
*	Notes Receivable from Participant	Interest rates ranging from 3.25% - 4.25% with various maturity dates through 2023		195,903
				$17,410,631

* Denotes party-in-interest.

** Cost information is not required for participant-directed investments and therefore has not been included in this schedule.

The information in this schedule has been certified as to its completeness and accuracy by Fidelity Management Trust Company.

Preferred Hotel Group
401(k) Profit Sharing Plan
Financial Statements and Supplemental Schedules
December 31, 2017 and 2016

Preferred Hotel Group 401(k) Profit Sharing Plan
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December 31, 2017 and 2016

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December 31, 2017 and 2016 3

Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2017 4

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Supplemental Schedules

Schedule I: Schedule H, Line 4a – Schedule of Delinquent Participant Contributions
For the Year Ended December 31, 2017 10

Schedule II: Schedule H, Line 4i – Schedule
of Assets (Held at End of Year) December 31, 2017 11

Note: All other schedules of additional financial information required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and disclosures under ERISA have been omitted because they are not applicable.



Report of Independent Auditors

To the Administrator of Preferred Hotel Group 401(k) Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Preferred Hotel Group 401(k) Profit Sharing Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016 and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by Fidelity Management Trust Company, the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2017 and 2016 and for the year ended December 31, 2017, that the information provided to the plan administrator by the trustee is complete and accurate.

PricewaterhouseCoopers LLP, 601 South Figueroa, Los Angeles, CA 90017

T: (213) 356 6000, F: (813) 637 4444, www.pwc.com/us



Disclaimer of Opinion

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

Other Matter

The supplemental Schedule of Delinquent Participant Contributions for the year ended December 31, 2017 and Schedule of Assets (Held at End of Year) as of December 31, 2017 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

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

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

PricewaterhouseCoopers LLP

Los Angeles, California
September 28, 2018

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December31, 2017 and 2016

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Forfeitures will be used to reduce employer contributions. Forfeitures for the year ended December 31, 2017 and 2016 totaled $54,334 and $32,270, respectively. Forfeitures used to reduce employer contributions for the year ended December 31, 2017 were $10,276. Unallocated forfeitures in the Plan at December 31, 2017 and 2016 were $44,058 and $57, respectively.

Administrative Expenses
All administrative expenses related to the Plan are paid by the Company, with the exception of investment fees, which are included in the cost of investments, and loan processing fees, which are paid by the participant.

Recent Accounting Pronouncements
In May 2015, FASB issued ASC Update, 2015-07, *Fair Value Measurement (Topic 820): Disclosure for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent),* which removes the requirement to include investments measured using the net asset value ("NAV") practical expedient in the fair value hierarchy. The retrospective application of this guidance was made for annual periods beginning in 2017. The required adoption of this guidance resulted in no material impact to the Plan's financial statements.

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Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of Benefits
Benefits are recorded when paid.

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

3. Fair Value Measurements

FASB Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

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Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

Registered Investment Companies and Money Market Funds
These investments are valued at the closing price reported on the active market on which the individual securities are traded. These fund accounts are required to publish their daily NAV and to transact at that published price.

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

result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017:

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 17,000,290			$ 17,000,290
Interest-bearing cash	214,438	$ -	$ -	214,438
Total investment assets at fair value	$ 17,214,728	$ -	$ -	$ 17,214,728

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

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Registered investment companies	$ 13,266,005			$ 13,266,005
Interest-bearing cash	252,225	$ -	$ -	252,225
Total investment assets at fair value	$ 13,518,230	$ -	$ -	$ 13,518,230

4. Party-in-Interest Transactions

Certain Plan investments are managed by Fidelity Management Trust Company; therefore, these transactions qualify as party-in-interest transactions. In addition, the Plan document provides for participant loans, which also qualify as party-in-interest transactions.

5. Tax Status

The Plan is a Non Standardized 401(k) Profit-Sharing Plan with a deferral arrangement that received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2014 which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has not requested its own determination letter from the IRS. Therefore, the Plan administrator believes that the Plan is qualified and that the related trust is tax-exempt as of the financial statement date. Although the Plan has been amended since receiving the determination letter, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2014.

6. Termination of Plan

The Company believes the Plan will continue without interruption; however, it has the right to amend or terminate the Plan at any time (subject to the provisions of ERISA). Should the Plan be terminated, Plan assets, after allowances for expenses of administration or liquidation, are to be

allocated proportionately to each participant based on the net aggregate value of the participants' investments determined as of the date of Plan discontinuance.

7. Risks and Uncertainties

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

8. Summary of Data Certified by the Trustee of the Plan

The Plan administrator has elected the method of annual reporting compliance permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified the following data included in the financial statements, notes to financial statements, and supplemental schedule is complete and accurate:

- Investments, at fair value and notes receivable from participants at December 31, 2017 and 2016, as shown in the Statements of Net Assets Available for Benefits
- Interest and dividend income, interest on notes receivable from participants and net appreciation in fair value of investments, as shown in the Statement of Changes in Net Assets Available for Benefits
- Investment amounts, as shown in Note 3
- Schedule H, line 4i – Schedule of Assets (Held at Year End) as of December 31, 2017

9. Subsequent Events

The Plan has evaluated subsequent events through September 28, 2018, the date the financial statements were available to be issued.

Supplemental Schedules

Preferred Hotel Group 401(k) Profit Sharing Plan
EIN: 36-4411818
Plan Number: 001
Schedule of Delinquent Participant Contributions for the Year Ended December 31, 2017

Participant contributions transfer late to the plan			Check here if late participant loan repayments are included	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program and PTE 2002-51
Amount Withheld	Date Withheld	Date Remitted		Contributions not corrected	Contributions Corrected Outside Voluntary Fiduciary Correction Program	Contributions pending correction in voluntary fiduciary correction program	
$ 976	12/16/2016	1/5/2017		$ -	$ -	$ 976	$ -

Preferred Hotel Group 401(k) Profit Sharing Plan
December 31, 2017
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) Schedule I

(a)	(b) Identity of Issue, Borrower Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	** (d) Cost	(e) Current Value
	MFS LIFETIME 2035 R3	Registered investment company		2,070,318
	MFS LIFETIME INC R3	Registered investment company		2,041,464
	MFS LIFETIME 2040 R3	Registered investment company		1,191,564
	MFS LIFETIME 2030 R3	Registered investment company		1,190,221
	MFS LIFETIME 2045 R3	Registered investment company		1,066,653
	MFS LIFETIME 2025 R3	Registered investment company		1,027,061
	PUTN EQUITY INCOME A	Registered investment company		826,437
	MFS INTL VALUE R3	Registered investment company		700,955
	FRANKLIN DYNATECH A	Registered investment company		700,673
	WF GROWTH A	Registered investment company		621,958
	OPPHMR DEV MKTS A	Registered investment company		615,106
	JH DSCPL VAL MDCP A	Registered investment company		531,171
	INVS EQL WT S&P500 A	Registered investment company		518,298
	MFS LIFETIME 2050 R3	Registered investment company		475,968
	MFS LIFETIME 2055 R3	Registered investment company		369,834
	J H TRITON T	Registered investment company		349,399
	COL MID CAP IDX A	Registered investment company		310,789
	MFS LIFETIME 2020 R3	Registered investment company		248,730
*	FID GOVT MMKT DM	Interest-bearing cash		214,438
*	FA MATERIALS I	Registered investment company		175,656
	JPM HIGH YIELD A	Registered investment company		175,116
	WA CORE BOND A	Registered investment company		174,034
	VT INTL SM CAP A	Registered investment company		169,700
	CALMOS MKT NEU/INC A	Registered investment company		168,126
	TMPL GLOBAL BOND A	Registered investment company		154,105
	VI FD FOR INCOME I	Registered investment company		150,769
	UM BEHAVIORAL VAL A	Registered investment company		146,686
	OPPHMR INTL GROWTH A	Registered investment company		138,045
	MFS EMRG MKT DEBT R3	Registered investment company		133,948
	JHANCOCK INCOME A	Registered investment company		122,642
	PIM REAL RETURN A	Registered investment company		99,979
	EV FLTNG RT&HI INC A	Registered investment company		70,255
	C&S REAL ESTATE I	Registered investment company		66,955
	PRU GLOBAL RE Z	Registered investment company		59,706
	PIMCO COMM REL RET A	Registered investment company		53,759
	PIMCO GNMA A	Registered investment company		43,952
	NATIXIS ASG MGDFUT A	Registered investment company		40,258
*	Notes Receivable from Participant	Interest rates ranging from 3.25% - 4.25% with various maturity dates through 2023		195,903
				$17,410,631

* Denotes party-in-interest.

** Cost information is not required for participant-directed investments and therefore has not been included in this schedule.

The information in this schedule has been certified as to its completeness and accuracy by Fidelity Management Trust Company.