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
J. P. EXPRESS EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2011

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)

J.P. EXPRESS SERVICE, INC.

P.O. BOX 819
DEER PARK, NY 11729

2b Employer Identification Number (EIN)
11-3198872

2c Plan Sponsor's telephone number
800-331-8065

2d Business code (see instructions)
484120

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.	10/11/2018	MICHAEL PISANO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2018	MICHAEL PISANO
	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**	295
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)**	244
a(2) Total number of active participants at the end of the plan year	**6a(2)**	218
b Retired or separated participants receiving benefits	**6b**	8
c Other retired or separated participants entitled to future benefits	**6c**	37
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	263
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f Total. Add lines **6d** and **6e**.	**6f**	264
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	264
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	13
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

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

2E 2I 2P 2Q 3I

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

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

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

a Pension Schedules

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

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

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

b General Schedules

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

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

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

(4) [ ] **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 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
J. P. EXPRESS EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
J.P. EXPRESS SERVICE, INC.

D Employer Identification Number (EIN)
11-3198872

Part I Asset and Liability Statement

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

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

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	22109038	26667000
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	22109038	26667000
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i	4800000	4266666
j	Other liabilities	1j		
k	Total liabilities (add all amounts in lines 1g through1j)	1k	4800000	4266666
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	17309038	22400334

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)	865238	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		865238
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	6	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		6
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)	4567000	
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		4567000

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		5432244
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	100948	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		100948
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		240000
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		340948
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		5091296
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [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: FULLER LOWENBERG & CO., CPAS **(2)** EIN: 20-0066099

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
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			

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
J. P. EXPRESS EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
J.P. EXPRESS SERVICE, INC.

D Employer Identification Number (EIN)
11-3198872

Part I Distributions

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

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

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

EIN(s): 20-1171923

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):

J.P. EXPRESS
EMPLOYEE STOCK OWNERSHIP PLAN

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016



Fuller Lowenberg & Co., CPAs, P.C.

J.P. Express
Employee Stock Ownership Plan
Audit of Financial Statements
For the Years Ended December 31, 2017 and 2016

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Fuller Lowenberg & Co., CPAs, P.C.

200 MOTOR PARKWAY, SUITE D-24 ◆ HAUPPAUGE, NY 11788
TEL. (631) 499-7900 ◆ FAX (631) 499-1597
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INDEPENDENT AUDITORS' REPORT

October 8, 2018

Administrative Committee of
J.P. Express Employee Stock Ownership Plan
Deer Park, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of J.P. Express Employee Stock Ownership 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10 and the attached supplemental schedule, which was certified by First Bankers Trust Services, Inc., the custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the

Basis for Disclaimer of Opinion - Continued

plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2017 and 2016 that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental Schedule H, Part IV, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2017 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, we do not express an opinion on the schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by 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.

Fuller Lowenberg & Co.

Fuller Lowenberg & Co., CPAs, P.C.

J.P. Express
Employee Stock Ownership Plan
Statements of Net Assets Available For Benefits
December 31, 2017 and 2016

	2017			2016		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investment in J.P. Express Service, Inc. company common stock, at fair value	$ 14,090,734	$ 12,576,266	$ 26,667,000	$ 10,135,624	$ 11,964,376	$ 22,100,000
Receivables:						
Employer Contributions	-	-	-	9,038	-	9,038
TOTAL ASSETS	14,090,734	12,576,266	26,667,000	10,144,662	11,964,376	22,109,038
LIABILITIES:						
Loan Payable	-	4,266,666	4,266,666	-	4,800,000	4,800,000
TOTAL LIABILITIES	-	4,266,666	4,266,666	-	4,800,000	4,800,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 14,090,734	$ 8,309,600	$ 22,400,334	$ 10,144,662	$ 7,164,376	$ 17,309,038

See independent auditors' report and notes to financial statements

J.P. Express
Employee Stock Ownership Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2017

	Allocated	Unallocated	Total
ADDITIONS:			
Additions to Net Assets attributed to:			
Investment Income:			
Net appreciation in fair value of investments	$ 2,094,543	$ 2,472,457	$ 4,567,000
Interest Income	6	-	6
Contributions:			
Employer Contributions	91,905	773,333	865,238
Allocation of 6,977.04 shares of common stock of J.P. Express Service, Inc., at fair value	1,860,566	-	1,860,566
TOTAL ADDITIONS	4,047,020	3,245,790	7,292,810
DEDUCTIONS:			
Deductions from Net Assets attributed to:			
Interest Expense	-	240,000	240,000
Distributions to Participants	100,948	-	100,948
Allocation of 6,977.04 shares of common stock of J.P. Express Service, Inc., at fair value	-	1,860,566	1,860,566
TOTAL DEDUCTIONS FROM NET ASSETS	100,948	2,100,566	2,201,514
NET INCREASE	3,946,072	1,145,224	5,091,296

See independent auditors' report and notes to financial statements

J.P. Express
Employee Stock Ownership Plan
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016
(See independent auditors' report)

1. Description of Plan

The following description of J.P. Express Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description or Plan Document for a more complete description of the Plan's provisions.

a. General

J.P. Express Service, Inc. (the "Company") adopted the Plan effective January 1, 2011. The Plan was created to incentivize employees by providing them with a financial interest in the Company, as well as provide an additional benefit to attract and retain employees. The Plan operates as a leveraged employee stock ownership plan ("ESOP"), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the "Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

The Plan is administered by the Plan Administrator who was appointed by the Company's Board of Directors. The trust department of an independent third-party bank is the Plan's Custodian.

The Plan purchased Company stock by securing a note (See Note 7) guaranteed by the Company, and holds the common stock in a trust established under the Plan. The borrowing is to be repaid over a maximum period of fifteen years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Shares vest based on the Plan's vesting schedule (See Note 1e).

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated under the ESOP. Accordingly, the financial statements of the Plan for the years ended December 31, 2017 and 2016, present separately, the assets and liabilities and changes therein pertaining to:

1. the accounts of employees with rights in allocated common stock (Allocated) and
2. common stock not yet allocated to employees (Unallocated).

b. Eligibility

The Plan covers all employees of the Company (or any participating affiliate or subsidiary) who have completed one year of service providing they worked at least 1,000 hours during such Plan year and are eighteen years of age or older. Participants who do not have at least 1,000 hours of service during the Plan year are not eligible for an allocation of Company contributions for such year.

1. Description of Plan - Continued

c. Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock. The stock is released by the Custodian from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company and have met the requirements of Plan entry will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

d. Contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employees are not permitted to make contributions.

e. Limits on Contributions

The total contribution by the Company to all defined contribution plans, including ESOPs, profit-sharing and 401(k) plans on behalf of any Plan participant, is limited by Internal Revenue Code Section 415 to the lesser of 100 percent of a participant's compensation or $54,000 (this limit is for 2017 and is adjusted annually for cost of living). The Section 415 limitation does not consider any catch-up contribution for which the participant may be eligible.

f. Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company beginning January 1, 2011. Participants vest 20% per year of service after attaining two years of service and are 100% vested after six years of service. Benefits under the ESOP also become 100% vested and non-forfeitable upon a participant's attainment of normal retirement age while employed with the Company or if the participant dies or becomes permanently disabled while still employed with the Company.

g. Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock.

1. Description of Plan – Continued

g. Put Option - Continued
The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

h. Payment of Benefits
On termination of service due to death, disability, or retirement, a participant or his/her beneficiary, if applicable, will begin to be paid no later than one year after the close of the Plan year following the event. Participants who incurred other separations from service may elect to commence distributions in the sixth Plan year following the separation from service to be made in five annual installments. If he/she does not elect to receive benefits at that time, he/she may begin to receive benefits at any time prior to his/her Normal Retirement Date. If no election is made by the earlier of age 65 or death, payments will be made at that time. Accounts with less than $10,000 may only be distributed to the participant in a lump-sum payment. Distributions are made in cash.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. During 2017 and 2016, the Company repurchased 456.78 and 400.66 shares respectively from participants at prices determined from the independent valuation.

i. Voting Rights
Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

j. Plan Termination
Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to the provisions of the Plan and ERISA. Notice to Plan participants must be given at least 60 days before the proposed date of termination. However, no such action may deprive any participant or beneficiary under the Plan of any vested right. In the event of Plan termination, participants would become 100 percent vested in their employer's contributions.

1. Description of Plan – Continued

   j. Plan Termination - Continued
   Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to each participant or his or her beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Employee Benefits Administration Committee should direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed common stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

   k. Diversification
   Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least 55 years of age and with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify may receive alternative investments under the Plan or in another qualified plan maintained by the Company in lieu of receiving the distribution directly.

   l. Participant Accounts and Forfeitures
   Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeited shares are allocated upon completion of a break-in-service of five or more consecutive years on the non-vested portion of the individual's Plan account. There were no forfeitures of terminated non-vested account balances allocated during the year ended December 31, 2017. Furthermore, there were no forfeitures of terminated non-vested account balances at December 31, 2017 and 2016. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

2. Summary of Accounting Policies

   a. Basis of Accounting
   The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

2. Summary of Accounting Policies - Continued

b. Investment Valuation and Income Recognition
The shares of Company common stock are estimated at fair value. Net appreciation includes the Plan's gains and losses on investments held during the year. See Note 3 for discussion of fair value measurements.

c. Expenses
All reasonable expenses of administration may be paid from the assets of the Plan. Such expenses may be allocated among all Plan participants or charged to the individual account for which the expense relates. The Company may, in its discretion, pay any or all of these expenses.

d. Date of Management's Review and Subsequent Events
Subsequent events were evaluated through October 8, 2018, which is the date the financial statements were available to be issued.

e. Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan 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

The Plan adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic No. 820 "Fair Value Measurements and Disclosures" ("ASC 820") and Accounting Standards Update ("ASU") 2015-12 and ASU 2015-07 relative to fair value measurements. ASC 820 defines fair value, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The Plan's investments are reported at fair value in the accompanying Statements of Net Assets Available for Benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

3. Fair Value Measurements - Continued

This hierarchy consists of three (3) broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017 and 2016.

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Fair Value
Company Common Stock	$ -	$ -	$ 26,667,000	$ 26,667,000

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Fair Value
Company Common Stock	$ -	$ -	$ 22,100,000	$ 22,100,000

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2017 and 2016, there were no transfers into or out of Level 3.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2017:

Year Ended December 31, 2017	Company Common Stock
Balance, beginning of year	$ 22,100,000
Total net appreciation included in changes in net assets available for benefits	4,567,000
Balance, end of year	$ 26,667,000
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 4,567,000

3. Fair Value Measurements - Continued

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

The fair value of the Company's common stock is determined by an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account historical and projected cash flow and net earnings, weighted average cost of capital, market comparables, and applicable discounts and premiums.

The valuation process involves the selection of an independent appraiser on an annual basis. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution.

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

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Input	Range of Significant Input Values	Weighted Average
Company Common Stock	$ 26,667,000	Discounted cash flow	Weighted-average cost of capital	17%-18%	17.5%
			Long-term revenue growth rate	3%	3%
			Long-term operating profit margin	38.3%	38.3%
			Discount for lack of marketability	5%	5%
		Market comparables	EBITDA multiple	2.9x-3.2x	3.0x
			Revenue multiple	.49x-.54x	0.52x
			Discount for lack of marketability	5%	5%

4. Income Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Plan by a letter dated September 24, 2013, that the Plan is qualified and the Trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code (the "Code"). Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

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 (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. Management of the Plan does not believe that there are any uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan may be subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income examinations for tax years ending prior to December 31, 2014.

5. Administration of Plan Assets

The Plan's assets, which consist exclusively of Company common stock, are held by the Custodian of the Plan.

Company contributions are held by the Custodian, which makes distributions to participants. The Custodian also administers the payment of interest and principal on the loan (See Note 7), which is reimbursed to the Custodian through contributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Custodian's fees are paid from the assets of the Plan or directly by the Company (See Note 2c).

6. Investments

The Plan's investments in Company common stock at December 31, 2017 and 2016, are as follows:

	December 31, 2017		December 31, 2016	
	Allocated	Unallocated	Allocated	Unallocated
Number of Shares	52,841	47,159	45,864	54,136
Cost	$ 4,227,280	$ 3,772,720	$ 3,669,120	$ 4,330,880
Fair Value	$ 14,090,734	$ 12,576,266	$ 10,135,624	$ 11,964,376

7. Loan Payable

In 2011, the Plan sponsor entered into an $8,000,000 term loan agreement with a Trust to purchase 100% of the common stock of the Company. Unallocated shares served as collateral for the loan. The agreement provides for the loan to be repaid over fifteen years. The fair value of the note payable as of December 31, 2017 and 2016 was approximately $4,266,666 and $4,800,000, respectively, determined by using interest rates currently available for issuance of debt with similar terms, maturity dates, and nonperformance risk. The loan bears interest at a rate of 5% per annum.

Annual maturities of the loan payable are as follows:

Year Ending December 31,	
2018	$ 533,333
2019	533,333
2020	533,333
2021	533,333
2022	533,333
Thereafter	1,600,001
	$ 4,266,666

8. Employer Contributions

The Company makes contributions in cash to the Plan which equals the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan (See Note 7); and to allow it to make any required distributions to participants during the year.

9. Related-Party and Party-In-Interest Transactions

The Plan invests in shares of common stock issued by J.P. Express Service, Inc., and therefore, this transaction qualifies as a party-in-interest transaction.

10. Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the custodian:

10. Information Prepared and Certified by Custodian - Continued

	2017	2016
Investments, at fair value:		
J.P. Express Service, Inc. common stock	$ 26,667,000	$ 22,100,000
Investment Income	$ 4,567,000	$ 3,800,000

11. Risks and Uncertainties

The Plan is invested in the common stock of the Company, and the Company's stock is exposed to various market risks. Due to the level of risk associated with privately-held company stock, it is possible that changes in the stock's underlying value could occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of Net Assets Available for Benefits.

SUPPLEMENTARY INFORMATION

J.P. Express
Employee Stock Ownership Plan
PN: 002 EIN: 11-3198872
Schedule H, Part IV, Line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2017

(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
*	JP Express Service, Inc.	100,000 Shares of J.P. Express Service, Inc. Common Stock	$ 8,000,000	$ 26,667,000

* A party-in-interest as defined by the Employee Retirement Income Security Act of 1974.

See independent auditors' report and notes to financial statements

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
J. P. Express Employee Stock Ownership Plan

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2011

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)
J.P. Express Service, Inc.

P.O. Box 819

Deer Park NY 11729

2b Employer Identification Number (EIN) 11-3198872

2c Plan Sponsor's telephone number (800) 331-8065

2d Business code (see instructions) 484120

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	[signature]	9/28/18	Michael
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	[signature]	9/28/18	Michael Pisano
	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

Filing Authorization – 2017 Form 5500

NAME OF PLAN: J.P. Express Employee Stock Ownership Plan

Plan Year Ending: 12/31/17

I hereby authorize SES ESOP Plan Services, an Ascensus company ("SES") to electronically sign and file the above-named return/report through EFAST2.

I understand that in granting this authority that:

- We agree to sign and date page 1 of the Form 5500 and provide a copy of that signature page to SES before the electronic filing can be initiated;
- SES will retain a copy of this written authorization in its records;
- SES will notify the individual(s) signing below as plan administrator/employer about any inquiries and information it receives from EFAST2, DOL, IRS, or PBGC regarding this annual return/report; and

This authorization is applicable only to the filing for the above-named Plan and applies only for Plan year-end stated above.

Plan Administrator/Sponsor: _____

Date: 9/28/18

On behalf of SES, I hereby certify that the firm will use the authority granted only for the express purposes described above; that the firm will not disclose confidential information to any parties other than the DOL, as required for EFAST filing; and that the firm will take reasonable steps to assure that confidential information provided by the Plan Administrator or Plan Sponsor is protected from unauthorized disclosure.

Mirjana Nikolić

_____ Date: 9/27/18

Mirjana Nikolic, SES ESOP Plan Services

J.P. EXPRESS
EMPLOYEE STOCK OWNERSHIP PLAN

AUDIT OF
FINANCIAL STATEMENTS

FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016



Fuller Lowenberg & Co., CPAs, P.C.

J.P. Express
Employee Stock Ownership Plan
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INDEPENDENT AUDITORS' REPORT

October 8, 2018

Administrative Committee of
J.P. Express Employee Stock Ownership Plan
Deer Park, New York

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of J.P. Express Employee Stock Ownership 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 10 and the attached supplemental schedule, which was certified by First Bankers Trust Services, Inc., the custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the

Basis for Disclaimer of Opinion - Continued

plan administrator that the custodian holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the custodian as of and for the years ended December 31, 2017 and 2016 that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

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

Other Matter

The supplemental Schedule H, Part IV, Line 4(i) - Schedule of Assets (Held at End of Year) as of December 31, 2017 is required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis of Disclaimer of Opinion paragraph, we do not express an opinion on the schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by 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.

Fuller Lowenberg & Co.

Fuller Lowenberg & Co., CPAs, P.C.

J.P. Express
Employee Stock Ownership Plan
Statements of Net Assets Available For Benefits
December 31, 2017 and 2016

	2017			2016		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investment in J.P. Express Service, Inc. company common stock, at fair value	$ 14,090,734	$ 12,576,266	$ 26,667,000	$ 10,135,624	$ 11,964,376	$ 22,100,000
Receivables:						
Employer Contributions	-	-	-	9,038	-	9,038
TOTAL ASSETS	14,090,734	12,576,266	26,667,000	10,144,662	11,964,376	22,109,038
LIABILITIES:						
Loan Payable	-	4,266,666	4,266,666	-	4,800,000	4,800,000
TOTAL LIABILITIES	-	4,266,666	4,266,666	-	4,800,000	4,800,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 14,090,734	$ 8,309,600	$ 22,400,334	$ 10,144,662	$ 7,164,376	$ 17,309,038

See independent auditors' report and notes to financial statements

J.P. Express
Employee Stock Ownership Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2017

	Allocated	Unallocated	Total
ADDITIONS:			
Additions to Net Assets attributed to:			
Investment Income:			
Net appreciation in fair value of investments	$ 2,094,543	$ 2,472,457	$ 4,567,000
Interest Income	6	-	6
Contributions:			
Employer Contributions	91,905	773,333	865,238
Allocation of 6,977.04 shares of common stock of J.P. Express Service, Inc., at fair value	1,860,566	-	1,860,566
TOTAL ADDITIONS	4,047,020	3,245,790	7,292,810
DEDUCTIONS:			
Deductions from Net Assets attributed to:			
Interest Expense	-	240,000	240,000
Distributions to Participants	100,948	-	100,948
Allocation of 6,977.04 shares of common stock of J.P. Express Service, Inc., at fair value	-	1,860,566	1,860,566
TOTAL DEDUCTIONS FROM NET ASSETS	100,948	2,100,566	2,201,514
NET INCREASE	3,946,072	1,145,224	5,091,296

See independent auditors' report and notes to financial statements

J.P. Express
Employee Stock Ownership Plan
Notes to Financial Statements
For the Years Ended December 31, 2017 and 2016
(See independent auditors' report)

1. Description of Plan

The following description of J.P. Express Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Summary Plan Description or Plan Document for a more complete description of the Plan's provisions.

a. General

J.P. Express Service, Inc. (the "Company") adopted the Plan effective January 1, 2011. The Plan was created to incentivize employees by providing them with a financial interest in the Company, as well as provide an additional benefit to attract and retain employees. The Plan operates as a leveraged employee stock ownership plan ("ESOP"), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (the "Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

The Plan is administered by the Plan Administrator who was appointed by the Company's Board of Directors. The trust department of an independent third-party bank is the Plan's Custodian.

The Plan purchased Company stock by securing a note (See Note 7) guaranteed by the Company, and holds the common stock in a trust established under the Plan. The borrowing is to be repaid over a maximum period of fifteen years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code. Shares vest based on the Plan's vesting schedule (See Note 1e).

The borrowing is collateralized by the unallocated shares of common stock and is guaranteed by the Company. The lender has no rights against shares of common stock once they are allocated under the ESOP. Accordingly, the financial statements of the Plan for the years ended December 31, 2017 and 2016, present separately, the assets and liabilities and changes therein pertaining to:

1. the accounts of employees with rights in allocated common stock (Allocated) and
2. common stock not yet allocated to employees (Unallocated).

b. Eligibility

The Plan covers all employees of the Company (or any participating affiliate or subsidiary) who have completed one year of service providing they worked at least 1,000 hours during such Plan year and are eighteen years of age or older. Participants who do not have at least 1,000 hours of service during the Plan year are not eligible for an allocation of Company contributions for such year.

1. Description of Plan - Continued

c. Participant Accounts

The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock. The stock is released by the Custodian from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company and have met the requirements of Plan entry will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation.

d. Contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. Employees are not permitted to make contributions.

e. Limits on Contributions

The total contribution by the Company to all defined contribution plans, including ESOPs, profit-sharing and 401(k) plans on behalf of any Plan participant, is limited by Internal Revenue Code Section 415 to the lesser of 100 percent of a participant's compensation or $54,000 (this limit is for 2017 and is adjusted annually for cost of living). The Section 415 limitation does not consider any catch-up contribution for which the participant may be eligible.

f. Vesting

If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company beginning January 1, 2011. Participants vest 20% per year of service after attaining two years of service and are 100% vested after six years of service. Benefits under the ESOP also become 100% vested and non-forfeitable upon a participant's attainment of normal retirement age while employed with the Company or if the participant dies or becomes permanently disabled while still employed with the Company.

g. Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock.

1. Description of Plan – Continued

g. Put Option - Continued
The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

h. Payment of Benefits
On termination of service due to death, disability, or retirement, a participant or his/her beneficiary, if applicable, will begin to be paid no later than one year after the close of the Plan year following the event. Participants who incurred other separations from service may elect to commence distributions in the sixth Plan year following the separation from service to be made in five annual installments. If he/she does not elect to receive benefits at that time, he/she may begin to receive benefits at any time prior to his/her Normal Retirement Date. If no election is made by the earlier of age 65 or death, payments will be made at that time. Accounts with less than $10,000 may only be distributed to the participant in a lump-sum payment. Distributions are made in cash.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations. During 2017 and 2016, the Company repurchased 456.78 and 400.66 shares respectively from participants at prices determined from the independent valuation.

i. Voting Rights
Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

j. Plan Termination
Although it has not expressed any intent to do so, the Company reserves the right to terminate the Plan at any time, subject to the provisions of the Plan and ERISA. Notice to Plan participants must be given at least 60 days before the proposed date of termination. However, no such action may deprive any participant or beneficiary under the Plan of any vested right. In the event of Plan termination, participants would become 100 percent vested in their employer's contributions.

1. Description of Plan – Continued

   j. Plan Termination - Continued
   Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to each participant or his or her beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Employee Benefits Administration Committee should direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed common stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

   k. Diversification
   Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least 55 years of age and with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. Participants who elect to diversify may receive alternative investments under the Plan or in another qualified plan maintained by the Company in lieu of receiving the distribution directly.

   l. Participant Accounts and Forfeitures
   Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeited shares are allocated upon completion of a break-in-service of five or more consecutive years on the non-vested portion of the individual's Plan account. There were no forfeitures of terminated non-vested account balances allocated during the year ended December 31, 2017. Furthermore, there were no forfeitures of terminated non-vested account balances at December 31, 2017 and 2016. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

2. Summary of Accounting Policies

   a. Basis of Accounting
   The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

2. Summary of Accounting Policies - Continued

b. Investment Valuation and Income Recognition
The shares of Company common stock are estimated at fair value. Net appreciation includes the Plan's gains and losses on investments held during the year. See Note 3 for discussion of fair value measurements.

c. Expenses
All reasonable expenses of administration may be paid from the assets of the Plan. Such expenses may be allocated among all Plan participants or charged to the individual account for which the expense relates. The Company may, in its discretion, pay any or all of these expenses.

d. Date of Management's Review and Subsequent Events
Subsequent events were evaluated through October 8, 2018, which is the date the financial statements were available to be issued.

e. Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan 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

The Plan adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic No. 820 "Fair Value Measurements and Disclosures" ("ASC 820") and Accounting Standards Update ("ASU") 2015-12 and ASU 2015-07 relative to fair value measurements. ASC 820 defines fair value, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The Plan's investments are reported at fair value in the accompanying Statements of Net Assets Available for Benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

3. Fair Value Measurements - Continued

This hierarchy consists of three (3) broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2017 and 2016.

	Assets at Fair Value as of December 31, 2017			
	Level 1	Level 2	Level 3	Fair Value
Company Common Stock	$ -	$ -	$ 26,667,000	$ 26,667,000

	Assets at Fair Value as of December 31, 2016			
	Level 1	Level 2	Level 3	Fair Value
Company Common Stock	$ -	$ -	$ 22,100,000	$ 22,100,000

The Plan's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2017 and 2016, there were no transfers into or out of Level 3.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2017:

Year Ended December 31, 2017	Company Common Stock
Balance, beginning of year	$ 22,100,000
Total net appreciation included in changes in net assets available for benefits	4,567,000
Balance, end of year	$ 26,667,000
The amount of total gains or losses for the period attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 4,567,000

3. Fair Value Measurements - Continued

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

The fair value of the Company's common stock is determined by an annual independent appraisal. This appraisal was based on a combination of the market and income valuation approaches consistent with prior years. The appraiser took into account historical and projected cash flow and net earnings, weighted average cost of capital, market comparables, and applicable discounts and premiums.

The valuation process involves the selection of an independent appraiser on an annual basis. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution.

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

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Input	Range of Significant Input Values	Weighted Average
Company Common Stock	$ 26,667,000	Discounted cash flow	Weighted-average cost of capital	17%-18%	17.5%
			Long-term revenue growth rate	3%	3%
			Long-term operating profit margin	38.3%	38.3%
			Discount for lack of marketability	5%	5%
		Market comparables	EBITDA multiple	2.9x-3.2x	3.0x
			Revenue multiple	.49x-.54x	0.52x
			Discount for lack of marketability	5%	5%

4. Income Tax Status

The Internal Revenue Service (the "IRS") has determined and informed the Plan by a letter dated September 24, 2013, that the Plan is qualified and the Trust established under the Plan is tax-exempt, under the appropriate sections of the Internal Revenue Code (the "Code"). Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification.

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 (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. Management of the Plan does not believe that there are any uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan may be subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income examinations for tax years ending prior to December 31, 2014.

5. Administration of Plan Assets

The Plan's assets, which consist exclusively of Company common stock, are held by the Custodian of the Plan.

Company contributions are held by the Custodian, which makes distributions to participants. The Custodian also administers the payment of interest and principal on the loan (See Note 7), which is reimbursed to the Custodian through contributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Custodian's fees are paid from the assets of the Plan or directly by the Company (See Note 2c).

6. Investments

The Plan's investments in Company common stock at December 31, 2017 and 2016, are as follows:

	December 31, 2017		December 31, 2016	
	Allocated	Unallocated	Allocated	Unallocated
Number of Shares	52,841	47,159	45,864	54,136
Cost	$ 4,227,280	$ 3,772,720	$ 3,669,120	$ 4,330,880
Fair Value	$ 14,090,734	$ 12,576,266	$ 10,135,624	$ 11,964,376

7. Loan Payable

In 2011, the Plan sponsor entered into an $8,000,000 term loan agreement with a Trust to purchase 100% of the common stock of the Company. Unallocated shares served as collateral for the loan. The agreement provides for the loan to be repaid over fifteen years. The fair value of the note payable as of December 31, 2017 and 2016 was approximately $4,266,666 and $4,800,000, respectively, determined by using interest rates currently available for issuance of debt with similar terms, maturity dates, and nonperformance risk. The loan bears interest at a rate of 5% per annum.

Annual maturities of the loan payable are as follows:

Year Ending December 31,	
2018	$ 533,333
2019	533,333
2020	533,333
2021	533,333
2022	533,333
Thereafter	1,600,001
	$ 4,266,666

8. Employer Contributions

The Company makes contributions in cash to the Plan which equals the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan (See Note 7); and to allow it to make any required distributions to participants during the year.

9. Related-Party and Party-In-Interest Transactions

The Plan invests in shares of common stock issued by J.P. Express Service, Inc., and therefore, this transaction qualifies as a party-in-interest transaction.

10. Information Prepared and Certified by Custodian

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the custodian:

10. Information Prepared and Certified by Custodian - Continued

	2017	2016
Investments, at fair value:		
J.P. Express Service, Inc. common stock	$ 26,667,000	$ 22,100,000
Investment Income	$ 4,567,000	$ 3,800,000

11. Risks and Uncertainties

The Plan is invested in the common stock of the Company, and the Company's stock is exposed to various market risks. Due to the level of risk associated with privately-held company stock, it is possible that changes in the stock's underlying value could occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of Net Assets Available for Benefits.

SUPPLEMENTARY INFORMATION

J.P. Express
Employee Stock Ownership Plan
PN: 002 EIN: 11-3198872
Schedule H, Part IV, Line 4(i) - Schedule of Assets (Held at End of Year)
December 31, 2017

(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
*	JP Express Service, Inc.	100,000 Shares of J.P. Express Service, Inc. Common Stock	$ 8,000,000	$ 26,667,000

* A party-in-interest as defined by the Employee Retirement Income Security Act of 1974.

See independent auditors' report and notes to financial statements