# 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
ROMANO AUTO NETWORK 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 07/01/1984

**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)

REGAL, BUICK, CAVALRY, CHRYSLER, PLYMOUTH, INC.

6400 BASILE ROWE
EAST SYRACUSE, NY 13057

6400 BASILE ROWE
EAST SYRACUSE, NY 13057

**2b** Employer Identification Number (EIN)
16-1092513

**2c** Plan Sponsor's telephone number
315-475-7933

**2d** Business code (see instructions)
441110

**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. | 10/12/2018 | MICHAEL J ROMANO |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/12/2018 | MICHAEL J ROMANO |
| | **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** | 275 |
| **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)** | 252 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 238 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 7 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 245 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 245 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 151 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2J 2K 3D

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

**9a** Plan funding arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [ ] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

**9b** Plan benefit arrangement (check all that apply)

| | | |
|---|---|---|
| **(1)** | [ ] | Insurance |
| **(2)** | [ ] | Code section 412(e)(3) insurance contracts |
| **(3)** | [X] | Trust |
| **(4)** | [ ] | General assets of the sponsor |

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

**a Pension Schedules**

| | | |
|---|---|---|
| **(1)** | [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
ROMANO AUTO NETWORK 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
REGAL, BUICK, CAVALRY, CHRYSLER, PLYMOUTH, INC.

**D** Employer Identification Number (EIN)
16-1092513

## 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) | 5744 | 6357 |
| **(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) | 216800 | 242386 |
| **(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) | 8453605 | 10544931 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 8676149 | 10793674 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | | |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 8676149 | 10793674 |

## 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) | | |
| | **(B)** Participants | 2a(1)(B) | 695045 | |
| | **(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) | | 695045 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | 14880 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 14880 |
| | **(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) | | |
| | **(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) | | |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | |

| | | (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) | | 1674733 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2384658 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 264243 | |
| (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) | | 264243 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Investment advisory and management fees | 2i(3) | 2890 | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 2890 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 267133 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 2117525 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

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

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

**(1)** Name: BONADIO & CO., LLP **(2)** EIN: 16-1131146

**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 | | 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 | | | |

**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
ROMANO AUTO NETWORK 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
REGAL, BUICK, CAVALRY, CHRYSLER, PLYMOUTH, INC.

**D** Employer Identification Number (EIN)
16-1092513

## 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): 95-6817943

**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): _____

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**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):

# ROMANO AUTO NETWORK 401(k) PLAN

**Financial Statements as of**
**December 31, 2017 and 2016**
**Together with**
**Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

October 4, 2018

To the Plan Administrator and Trustees of
Romano Auto Network 401(k) Plan:

**Report on the Financial Statements**
We were engaged to audit the accompanying financial statements of Romano Auto Network 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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

***Basis for Disclaimer of Opinion***
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Capital Bank and Trust Company, the trustee of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, that the information provided to the Plan administrator by the trustee 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.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT**
(Continued)

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

**Report on Form and Content in Compliance with DOL Rules and Regulations**
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the 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.

Bonadio & Co., LLP

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
### DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| **ASSETS** | | |
| INVESTMENTS: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contract, at contract value | 327,571 | 279,173 |
| Total investments | 10,544,931 | 8,453,605 |
| RECEIVABLES: | | |
| Participant contributions | 6,357 | 5,744 |
| Notes receivable from participants | 242,386 | 216,800 |
| Total receivables | 248,743 | 222,544 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 10,793,674 | $ 8,676,149 |

The accompanying notes are an integral part of these statements.

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| ADDITIONS: | | |
| Investment income - | | |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest and dividend income | - | 2,005 |
| Total investment income | 1,674,733 | 570,035 |
| Interest income on notes receivable from participants | 14,880 | 9,312 |
| Contributions - | | |
| Participant | 695,045 | 679,312 |
| Rollover | - | 10,939 |
| Total contributions | 695,045 | 690,251 |
| Total additions | 2,384,658 | 1,269,598 |
| DEDUCTIONS: | | |
| Benefits paid to participants | 264,243 | 63,364 |
| Administrative expenses | 2,890 | 2,080 |
| Total deductions | 267,133 | 65,444 |
| CHANGES TO NET ASSETS AVAILABLE FOR BENEFITS | 2,117,525 | 1,204,154 |
| NET ASSETS AVAILABLE FOR BENEFITS - beginning of year | 8,676,149 | 7,471,995 |
| NET ASSETS AVAILABLE FOR BENEFITS - end of year | $ 10,793,674 | $ 8,676,149 |

The accompanying notes are an integral part of these statements.

## 1. DESCRIPTION OF THE PLAN

The following description of the Romano Auto Network 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering all employees of Romano Chrysler-Jeep, Inc., Romano Ford of Fayetteville, Inc., Romano Volkswagen of Fayetteville, Ltd., Romano Motors Ltd., Romano Subaru, Inc., Romano Toyota Ltd. and Romano Imports, Inc. (collectively the Company), who meet certain eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Eligibility

Employees are eligible to begin salary deferrals after the attainment of age 21 and having completed one year of service with at least 1,000 hours worked.

### Contributions

Each year participants may contribute a percentage of their pre-tax annual compensation, as defined by the Plan subject to maximum limitations established by the Internal Revenue Code. In addition, participants have the option to elect to have after-tax contributions made to the Plan. Participants who have attained the age of 50 before the close of the Plan year may contribute an additional catch-up contribution as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

### Participant Accounts

Each participant's account is credited with the participant's contribution and Plan allocation of earnings/losses and charged with an allocation of administrative expenses. Allocations are based on account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their contributions plus actual earnings/losses thereon.

### Investment Options

Investments are held within various investment funds maintained by Capital Bank and Trust Company. Contributions are invested, at the discretion of the participant, in one or a combination of available investment options.

## 1. DESCRIPTION OF THE PLAN (Continued)

### Payment of Benefits

Upon termination of service, a participant may elect to receive a lump-sum amount equal to the vested value of their account. Upon death, disability, or retirement a participant may elect to receive a series of payments over a period not to exceed the life expectancy of the participant or the joint life expectancy of the participant and their beneficiary.

Hardship withdrawals are permitted in the event of immediate financial need. Participants may elect to receive a hardship withdrawal in an amount equal to their deferral contributions.

In-service withdrawals are permitted for participants that are age 59 ½ or older.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of the participant's vested account balance, subject to certain conditions as defined in the Plan agreement. The loan and interest thereon shall be repaid over a period not to exceed five years (except for certain residential loans which can extend up to twenty-five years). The loans are secured by the balance in the participant's account and bear interest at the prime rate plus one percent, as determined on the first day of each calendar quarter in which the loan was issued. Interest rates on outstanding loans ranged from 4.25% to 5.25% at December 31, 2017. Principal and interest are paid ratably through weekly payroll deductions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

Investments held by a defined benefit contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract 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.

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 (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near-term would materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Payment of Benefits

Benefits are recorded when paid.

### Administrative Expenses

The Company absorbs reasonable expenses incurred in the administration of the Plan, that includes accounting and legal fees. Expenses relating to certain participant transactions, such as fees related to distributions and notes receivable from participants, are deducted from the participant's account as the transactions occur.

### Fair Value Measurement - Definition and Hierarchy

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

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

*Level 2*: Inputs to the valuation methodology include:

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

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair Value Measurement - Definition and Hierarchy (Continued)**
A description of where the Plan's investments fall within the ASC 820 hierarchy is provided in Note 3. There were no transfers between levels of the fair value hierarchy during 2017 or 2016.

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

## 3. FAIR VALUE MEASUREMENTS

The 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.

- *Mutual funds*: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

The following tables set forth, by level within the fair value hierarchy, the Plan's fair value measurement at December 31, 2017 and 2016.

Fair value measurement at December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 10,217,360 | $ - | $ - | $ 10,217,360 |

Fair value measurement at December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds: | $ 8,174,432 | $ - | $ - | $ 8,174,432 |

## 4. INVESTMENTS

The Plan administrator has received a certification from Capital Bank and Trust Company, the trustee of the Plan, that states that the following information is complete and accurate as of and for the years ended December 31, 2017 and 2016:

| | 2017 | 2016 |
|---|---|---|
| Statements of net assets available for benefits: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contracts, at contract value | $ 327,571 | $ 279,173 |
| Notes receivable from participants | $ 242,386 | $ 216,800 |
| Statements of changes in net assets available for benefits: | | |
| Interest and dividend income | $ - | $ 2,005 |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest income on notes receivable from participants | $ 14,880 | $ 9,312 |
| Schedule of Assets (Held at End of Year) | Schedule I | |

## 5. GUARANTEED INCOME FUND WITH INSURANCE COMPANY

The Plan is invested in a fully benefit-responsive income contract with Great West Life & Annuity Insurance Company of New York (GWLAIC). GWLAIC maintains the contributions in a general account. The account is credited with earnings on the credited interest rate and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed income fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by GWLAIC, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative fees. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract value of the contract at December 31, 2017 and 2016 was $327,571 and $279,173, respectively. The crediting interest rate is based on a contractually guaranteed interest rate. Such interest rates are reviewed on a quarterly basis for resetting.

Generally there are no events that could limit the ability of the Plan to transact at contract value. If the Plan Sponsor chooses to eliminate this fund from the Plan, there may be participant transfer restrictions until the assets are paid out of the fund. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

## 6. PARTY-IN-INTEREST TRANSACTIONS

Plan investments include shares of mutual funds managed by Capital Bank and Trust Company, the trustee of the Plan. Capital Bank and Trust Company owns American Funds, the third-party administrator of the Plan. Transactions with these companies qualify as party-in-interest transactions.

In addition, the Plan issues notes receivable to participants, which are secured by the balances in the participants' account. Therefore, these related transactions qualify as party-in-interest transactions.

## 7. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since the date of the letter, the Plan administrator and Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## 8. PLAN TERMINATION

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

## 9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 4, 2018, which is the date the financial statements were available to be issued.

Schedule I

**ROMANO AUTO NETWORK 401(k) PLAN**

**EIN: 16-1092513**
**PLAN: 001, FORM 5500**
**SCHEDULE H, LINE 4i - 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 |
|---|---|---|---|---|
| | MUTUAL FUNDS: | | | |
| * | American Funds | EuroPacific Growth | ** | $ 1,804,621 |
| * | American Funds | Growth Fund of America | ** | 1,795,261 |
| * | American Funds | Washington Mutual Investors | ** | 1,772,027 |
| * | American Funds | Income Fund of America | ** | 1,032,723 |
| * | American Funds | Target Date 2025 | ** | 779,910 |
| | Neuberger Berman | Genesis Fund | ** | 614,279 |
| | Vanguard | Total Stock Market Index Fund | ** | 585,276 |
| | PIMCO | Total Return Fund | ** | 442,777 |
| * | American Funds | Capital World Growth and Income Fund | ** | 410,878 |
| * | American Funds | Target Date 2045 | ** | 369,599 |
| * | American Funds | American Balanced | ** | 361,470 |
| * | American Funds | Target Date 2040 | ** | 83,270 |
| * | American Funds | Target Date 2055 | ** | 69,803 |
| * | American Funds | Target Date 2035 | ** | 38,088 |
| * | American Funds | Target Date 2030 | ** | 34,283 |
| * | American Funds | American High Income Trust Fund | ** | 11,285 |
| * | American Funds | Target Date 2050 | ** | 11,272 |
| * | American Funds | Target Date 2010 | ** | 397 |
| * | American Funds | Target Date 2060 | ** | 141 |
| | INVESTMENTS AT CONTRACT VALUE: | | | |
| | Great West | Fixed Account | ** | 327,571 |
| * | PARTICIPANT LOANS | Interest Rate (4.25% - 5.25%) | - | 242,386 |
| | | | | $ 10,787,317 |

* Indicates a party-in-interest to the Plan
** Cost omitted for investments that are participant-directed

The accompanying notes are an integral part of this schedule.

# ROMANO AUTO NETWORK 401(k) PLAN

**Financial Statements as of**
**December 31, 2017 and 2016**
**Together with**
**Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

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## INDEPENDENT AUDITOR'S REPORT

October 4, 2018

To the Plan Administrator and Trustees of
Romano Auto Network 401(k) Plan:

**Report on the Financial Statements**
We were engaged to audit the accompanying financial statements of Romano Auto Network 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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

***Basis for Disclaimer of Opinion***
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Capital Bank and Trust Company, the trustee of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, that the information provided to the Plan administrator by the trustee is complete and accurate.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT**
(Continued)

**Other Matter**
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**Report on Form and Content in Compliance with DOL Rules and Regulations**
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Bonadio & Co., LLP

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
### DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| **ASSETS** | | |
| INVESTMENTS: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contract, at contract value | 327,571 | 279,173 |
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| Participant contributions | 6,357 | 5,744 |
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## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| ADDITIONS: | | |
| Investment income - | | |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest and dividend income | - | 2,005 |
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The following description of the Romano Auto Network 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering all employees of Romano Chrysler-Jeep, Inc., Romano Ford of Fayetteville, Inc., Romano Volkswagen of Fayetteville, Ltd., Romano Motors Ltd., Romano Subaru, Inc., Romano Toyota Ltd. and Romano Imports, Inc. (collectively the Company), who meet certain eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Eligibility

Employees are eligible to begin salary deferrals after the attainment of age 21 and having completed one year of service with at least 1,000 hours worked.

### Contributions

Each year participants may contribute a percentage of their pre-tax annual compensation, as defined by the Plan subject to maximum limitations established by the Internal Revenue Code. In addition, participants have the option to elect to have after-tax contributions made to the Plan. Participants who have attained the age of 50 before the close of the Plan year may contribute an additional catch-up contribution as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

### Participant Accounts

Each participant's account is credited with the participant's contribution and Plan allocation of earnings/losses and charged with an allocation of administrative expenses. Allocations are based on account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their contributions plus actual earnings/losses thereon.

### Investment Options

Investments are held within various investment funds maintained by Capital Bank and Trust Company. Contributions are invested, at the discretion of the participant, in one or a combination of available investment options.

## 1. DESCRIPTION OF THE PLAN (Continued)

### Payment of Benefits

Upon termination of service, a participant may elect to receive a lump-sum amount equal to the vested value of their account. Upon death, disability, or retirement a participant may elect to receive a series of payments over a period not to exceed the life expectancy of the participant or the joint life expectancy of the participant and their beneficiary.

Hardship withdrawals are permitted in the event of immediate financial need. Participants may elect to receive a hardship withdrawal in an amount equal to their deferral contributions.

In-service withdrawals are permitted for participants that are age 59 ½ or older.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of the participant's vested account balance, subject to certain conditions as defined in the Plan agreement. The loan and interest thereon shall be repaid over a period not to exceed five years (except for certain residential loans which can extend up to twenty-five years). The loans are secured by the balance in the participant's account and bear interest at the prime rate plus one percent, as determined on the first day of each calendar quarter in which the loan was issued. Interest rates on outstanding loans ranged from 4.25% to 5.25% at December 31, 2017. Principal and interest are paid ratably through weekly payroll deductions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

Investments held by a defined benefit contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract 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.

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 (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near-term would materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Payment of Benefits

Benefits are recorded when paid.

### Administrative Expenses

The Company absorbs reasonable expenses incurred in the administration of the Plan, that includes accounting and legal fees. Expenses relating to certain participant transactions, such as fees related to distributions and notes receivable from participants, are deducted from the participant's account as the transactions occur.

### Fair Value Measurement - Definition and Hierarchy

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

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

*Level 2*: Inputs to the valuation methodology include:

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

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair Value Measurement - Definition and Hierarchy (Continued)**
A description of where the Plan's investments fall within the ASC 820 hierarchy is provided in Note 3. There were no transfers between levels of the fair value hierarchy during 2017 or 2016.

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

## 3. FAIR VALUE MEASUREMENTS

The 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.

- *Mutual funds*: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

The following tables set forth, by level within the fair value hierarchy, the Plan's fair value measurement at December 31, 2017 and 2016.

Fair value measurement at December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 10,217,360 | $ - | $ - | $ 10,217,360 |

Fair value measurement at December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds: | $ 8,174,432 | $ - | $ - | $ 8,174,432 |

## 4. INVESTMENTS

The Plan administrator has received a certification from Capital Bank and Trust Company, the trustee of the Plan, that states that the following information is complete and accurate as of and for the years ended December 31, 2017 and 2016:

| | 2017 | 2016 |
|---|---|---|
| Statements of net assets available for benefits: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contracts, at contract value | $ 327,571 | $ 279,173 |
| Notes receivable from participants | $ 242,386 | $ 216,800 |
| Statements of changes in net assets available for benefits: | | |
| Interest and dividend income | $ - | $ 2,005 |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest income on notes receivable from participants | $ 14,880 | $ 9,312 |
| Schedule of Assets (Held at End of Year) | Schedule I | |

## 5. GUARANTEED INCOME FUND WITH INSURANCE COMPANY

The Plan is invested in a fully benefit-responsive income contract with Great West Life & Annuity Insurance Company of New York (GWLAIC). GWLAIC maintains the contributions in a general account. The account is credited with earnings on the credited interest rate and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed income fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by GWLAIC, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative fees. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract value of the contract at December 31, 2017 and 2016 was $327,571 and $279,173, respectively. The crediting interest rate is based on a contractually guaranteed interest rate. Such interest rates are reviewed on a quarterly basis for resetting.

Generally there are no events that could limit the ability of the Plan to transact at contract value. If the Plan Sponsor chooses to eliminate this fund from the Plan, there may be participant transfer restrictions until the assets are paid out of the fund. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

## 6. PARTY-IN-INTEREST TRANSACTIONS

Plan investments include shares of mutual funds managed by Capital Bank and Trust Company, the trustee of the Plan. Capital Bank and Trust Company owns American Funds, the third-party administrator of the Plan. Transactions with these companies qualify as party-in-interest transactions.

In addition, the Plan issues notes receivable to participants, which are secured by the balances in the participants' account. Therefore, these related transactions qualify as party-in-interest transactions.

## 7. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since the date of the letter, the Plan administrator and Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## 8. PLAN TERMINATION

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

## 9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 4, 2018, which is the date the financial statements were available to be issued.

Schedule I

**ROMANO AUTO NETWORK 401(k) PLAN**

**EIN: 16-1092513**
**PLAN: 001, FORM 5500**
**SCHEDULE H, LINE 4i - 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 |
|---|---|---|---|---|
| | MUTUAL FUNDS: | | | |
| * | American Funds | EuroPacific Growth | ** | $ 1,804,621 |
| * | American Funds | Growth Fund of America | ** | 1,795,261 |
| * | American Funds | Washington Mutual Investors | ** | 1,772,027 |
| * | American Funds | Income Fund of America | ** | 1,032,723 |
| * | American Funds | Target Date 2025 | ** | 779,910 |
| | Neuberger Berman | Genesis Fund | ** | 614,279 |
| | Vanguard | Total Stock Market Index Fund | ** | 585,276 |
| | PIMCO | Total Return Fund | ** | 442,777 |
| * | American Funds | Capital World Growth and Income Fund | ** | 410,878 |
| * | American Funds | Target Date 2045 | ** | 369,599 |
| * | American Funds | American Balanced | ** | 361,470 |
| * | American Funds | Target Date 2040 | ** | 83,270 |
| * | American Funds | Target Date 2055 | ** | 69,803 |
| * | American Funds | Target Date 2035 | ** | 38,088 |
| * | American Funds | Target Date 2030 | ** | 34,283 |
| * | American Funds | American High Income Trust Fund | ** | 11,285 |
| * | American Funds | Target Date 2050 | ** | 11,272 |
| * | American Funds | Target Date 2010 | ** | 397 |
| * | American Funds | Target Date 2060 | ** | 141 |
| | INVESTMENTS AT CONTRACT VALUE: | | | |
| | Great West | Fixed Account | ** | 327,571 |
| * | PARTICIPANT LOANS | Interest Rate (4.25% - 5.25%) | - | 242,386 |
| | | | | $ 10,787,317 |

* Indicates a party-in-interest to the Plan
** Cost omitted for investments that are participant-directed

The accompanying notes are an integral part of this schedule.

# ROMANO AUTO NETWORK 401(k) PLAN

**Financial Statements as of**
**December 31, 2017 and 2016**
**Together with**
**Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

October 4, 2018

To the Plan Administrator and Trustees of
Romano Auto Network 401(k) Plan:

**Report on the Financial Statements**
We were engaged to audit the accompanying financial statements of Romano Auto Network 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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

***Basis for Disclaimer of Opinion***
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Capital Bank and Trust Company, the trustee of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, that the information provided to the Plan administrator by the trustee 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.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT**
(Continued)

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

**Report on Form and Content in Compliance with DOL Rules and Regulations**
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the 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.

Bonadio & Co., LLP

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
### DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| **ASSETS** | | |
| INVESTMENTS: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contract, at contract value | 327,571 | 279,173 |
| Total investments | 10,544,931 | 8,453,605 |
| RECEIVABLES: | | |
| Participant contributions | 6,357 | 5,744 |
| Notes receivable from participants | 242,386 | 216,800 |
| Total receivables | 248,743 | 222,544 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 10,793,674 | $ 8,676,149 |

The accompanying notes are an integral part of these statements.

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| ADDITIONS: | | |
| Investment income - | | |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest and dividend income | - | 2,005 |
| Total investment income | 1,674,733 | 570,035 |
| Interest income on notes receivable from participants | 14,880 | 9,312 |
| Contributions - | | |
| Participant | 695,045 | 679,312 |
| Rollover | - | 10,939 |
| Total contributions | 695,045 | 690,251 |
| Total additions | 2,384,658 | 1,269,598 |
| DEDUCTIONS: | | |
| Benefits paid to participants | 264,243 | 63,364 |
| Administrative expenses | 2,890 | 2,080 |
| Total deductions | 267,133 | 65,444 |
| CHANGES TO NET ASSETS AVAILABLE FOR BENEFITS | 2,117,525 | 1,204,154 |
| NET ASSETS AVAILABLE FOR BENEFITS - beginning of year | 8,676,149 | 7,471,995 |
| NET ASSETS AVAILABLE FOR BENEFITS - end of year | $ 10,793,674 | $ 8,676,149 |

The accompanying notes are an integral part of these statements.

## 1. DESCRIPTION OF THE PLAN

The following description of the Romano Auto Network 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering all employees of Romano Chrysler-Jeep, Inc., Romano Ford of Fayetteville, Inc., Romano Volkswagen of Fayetteville, Ltd., Romano Motors Ltd., Romano Subaru, Inc., Romano Toyota Ltd. and Romano Imports, Inc. (collectively the Company), who meet certain eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Eligibility

Employees are eligible to begin salary deferrals after the attainment of age 21 and having completed one year of service with at least 1,000 hours worked.

### Contributions

Each year participants may contribute a percentage of their pre-tax annual compensation, as defined by the Plan subject to maximum limitations established by the Internal Revenue Code. In addition, participants have the option to elect to have after-tax contributions made to the Plan. Participants who have attained the age of 50 before the close of the Plan year may contribute an additional catch-up contribution as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

### Participant Accounts

Each participant's account is credited with the participant's contribution and Plan allocation of earnings/losses and charged with an allocation of administrative expenses. Allocations are based on account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their contributions plus actual earnings/losses thereon.

### Investment Options

Investments are held within various investment funds maintained by Capital Bank and Trust Company. Contributions are invested, at the discretion of the participant, in one or a combination of available investment options.

## 1. DESCRIPTION OF THE PLAN (Continued)

### Payment of Benefits

Upon termination of service, a participant may elect to receive a lump-sum amount equal to the vested value of their account. Upon death, disability, or retirement a participant may elect to receive a series of payments over a period not to exceed the life expectancy of the participant or the joint life expectancy of the participant and their beneficiary.

Hardship withdrawals are permitted in the event of immediate financial need. Participants may elect to receive a hardship withdrawal in an amount equal to their deferral contributions.

In-service withdrawals are permitted for participants that are age 59 ½ or older.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of the participant's vested account balance, subject to certain conditions as defined in the Plan agreement. The loan and interest thereon shall be repaid over a period not to exceed five years (except for certain residential loans which can extend up to twenty-five years). The loans are secured by the balance in the participant's account and bear interest at the prime rate plus one percent, as determined on the first day of each calendar quarter in which the loan was issued. Interest rates on outstanding loans ranged from 4.25% to 5.25% at December 31, 2017. Principal and interest are paid ratably through weekly payroll deductions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

Investments held by a defined benefit contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract 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.

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 (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near-term would materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Payment of Benefits

Benefits are recorded when paid.

### Administrative Expenses

The Company absorbs reasonable expenses incurred in the administration of the Plan, that includes accounting and legal fees. Expenses relating to certain participant transactions, such as fees related to distributions and notes receivable from participants, are deducted from the participant's account as the transactions occur.

### Fair Value Measurement - Definition and Hierarchy

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

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

*Level 2*: Inputs to the valuation methodology include:

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

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair Value Measurement - Definition and Hierarchy (Continued)**
A description of where the Plan's investments fall within the ASC 820 hierarchy is provided in Note 3. There were no transfers between levels of the fair value hierarchy during 2017 or 2016.

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

## 3. FAIR VALUE MEASUREMENTS

The 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.

- *Mutual funds*: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

The following tables set forth, by level within the fair value hierarchy, the Plan's fair value measurement at December 31, 2017 and 2016.

Fair value measurement at December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 10,217,360 | $ - | $ - | $ 10,217,360 |

Fair value measurement at December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds: | $ 8,174,432 | $ - | $ - | $ 8,174,432 |

## 4. INVESTMENTS

The Plan administrator has received a certification from Capital Bank and Trust Company, the trustee of the Plan, that states that the following information is complete and accurate as of and for the years ended December 31, 2017 and 2016:

| | 2017 | 2016 |
|---|---|---|
| Statements of net assets available for benefits: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contracts, at contract value | $ 327,571 | $ 279,173 |
| Notes receivable from participants | $ 242,386 | $ 216,800 |
| Statements of changes in net assets available for benefits: | | |
| Interest and dividend income | $ - | $ 2,005 |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest income on notes receivable from participants | $ 14,880 | $ 9,312 |
| Schedule of Assets (Held at End of Year) | Schedule I | |

## 5. GUARANTEED INCOME FUND WITH INSURANCE COMPANY

The Plan is invested in a fully benefit-responsive income contract with Great West Life & Annuity Insurance Company of New York (GWLAIC). GWLAIC maintains the contributions in a general account. The account is credited with earnings on the credited interest rate and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed income fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by GWLAIC, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative fees. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract value of the contract at December 31, 2017 and 2016 was $327,571 and $279,173, respectively. The crediting interest rate is based on a contractually guaranteed interest rate. Such interest rates are reviewed on a quarterly basis for resetting.

Generally there are no events that could limit the ability of the Plan to transact at contract value. If the Plan Sponsor chooses to eliminate this fund from the Plan, there may be participant transfer restrictions until the assets are paid out of the fund. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

## 6. PARTY-IN-INTEREST TRANSACTIONS

Plan investments include shares of mutual funds managed by Capital Bank and Trust Company, the trustee of the Plan. Capital Bank and Trust Company owns American Funds, the third-party administrator of the Plan. Transactions with these companies qualify as party-in-interest transactions.

In addition, the Plan issues notes receivable to participants, which are secured by the balances in the participants' account. Therefore, these related transactions qualify as party-in-interest transactions.

## 7. INCOME TAX STATUS

The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since the date of the letter, the Plan administrator and Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

## 8. PLAN TERMINATION

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

## 9. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 4, 2018, which is the date the financial statements were available to be issued.

Schedule I

**ROMANO AUTO NETWORK 401(k) PLAN**

**EIN: 16-1092513**
**PLAN: 001, FORM 5500**
**SCHEDULE H, LINE 4i - 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 |
|---|---|---|---|---|
| | MUTUAL FUNDS: | | | |
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| * | American Funds | Growth Fund of America | ** | 1,795,261 |
| * | American Funds | Washington Mutual Investors | ** | 1,772,027 |
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| * | American Funds | Target Date 2025 | ** | 779,910 |
| | Neuberger Berman | Genesis Fund | ** | 614,279 |
| | Vanguard | Total Stock Market Index Fund | ** | 585,276 |
| | PIMCO | Total Return Fund | ** | 442,777 |
| * | American Funds | Capital World Growth and Income Fund | ** | 410,878 |
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| * | American Funds | Target Date 2030 | ** | 34,283 |
| * | American Funds | American High Income Trust Fund | ** | 11,285 |
| * | American Funds | Target Date 2050 | ** | 11,272 |
| * | American Funds | Target Date 2010 | ** | 397 |
| * | American Funds | Target Date 2060 | ** | 141 |
| | INVESTMENTS AT CONTRACT VALUE: | | | |
| | Great West | Fixed Account | ** | 327,571 |
| * | PARTICIPANT LOANS | Interest Rate (4.25% - 5.25%) | - | 242,386 |
| | | | | $ 10,787,317 |

* Indicates a party-in-interest to the Plan
** Cost omitted for investments that are participant-directed

The accompanying notes are an integral part of this schedule.

# ROMANO AUTO NETWORK 401(k) PLAN

**Financial Statements as of**
**December 31, 2017 and 2016**
**Together with**
**Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

Bonadio & Co., LLP
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

October 4, 2018

To the Plan Administrator and Trustees of
Romano Auto Network 401(k) Plan:

**Report on the Financial Statements**
We were engaged to audit the accompanying financial statements of Romano Auto Network 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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

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

***Basis for Disclaimer of Opinion***
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Capital Bank and Trust Company, the trustee of the Plan, except for comparing the 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 and for the years ended December 31, 2017 and 2016, that the information provided to the Plan administrator by the trustee 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.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT**
(Continued)

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

**Report on Form and Content in Compliance with DOL Rules and Regulations**
The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the 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.

Bonadio & Co., LLP

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
### DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| **ASSETS** | | |
| INVESTMENTS: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contract, at contract value | 327,571 | 279,173 |
| Total investments | 10,544,931 | 8,453,605 |
| RECEIVABLES: | | |
| Participant contributions | 6,357 | 5,744 |
| Notes receivable from participants | 242,386 | 216,800 |
| Total receivables | 248,743 | 222,544 |
| NET ASSETS AVAILABLE FOR BENEFITS | $ 10,793,674 | $ 8,676,149 |

The accompanying notes are an integral part of these statements.

## ROMANO AUTO NETWORK 401(k) PLAN

### STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

| | 2017 | 2016 |
|---|---|---|
| ADDITIONS: | | |
| Investment income - | | |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest and dividend income | - | 2,005 |
| Total investment income | 1,674,733 | 570,035 |
| Interest income on notes receivable from participants | 14,880 | 9,312 |
| Contributions - | | |
| Participant | 695,045 | 679,312 |
| Rollover | - | 10,939 |
| Total contributions | 695,045 | 690,251 |
| Total additions | 2,384,658 | 1,269,598 |
| DEDUCTIONS: | | |
| Benefits paid to participants | 264,243 | 63,364 |
| Administrative expenses | 2,890 | 2,080 |
| Total deductions | 267,133 | 65,444 |
| CHANGES TO NET ASSETS AVAILABLE FOR BENEFITS | 2,117,525 | 1,204,154 |
| NET ASSETS AVAILABLE FOR BENEFITS - beginning of year | 8,676,149 | 7,471,995 |
| NET ASSETS AVAILABLE FOR BENEFITS - end of year | $ 10,793,674 | $ 8,676,149 |

The accompanying notes are an integral part of these statements.

## 1. DESCRIPTION OF THE PLAN

The following description of the Romano Auto Network 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

### General

The Plan is a defined contribution plan covering all employees of Romano Chrysler-Jeep, Inc., Romano Ford of Fayetteville, Inc., Romano Volkswagen of Fayetteville, Ltd., Romano Motors Ltd., Romano Subaru, Inc., Romano Toyota Ltd. and Romano Imports, Inc. (collectively the Company), who meet certain eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

### Eligibility

Employees are eligible to begin salary deferrals after the attainment of age 21 and having completed one year of service with at least 1,000 hours worked.

### Contributions

Each year participants may contribute a percentage of their pre-tax annual compensation, as defined by the Plan subject to maximum limitations established by the Internal Revenue Code. In addition, participants have the option to elect to have after-tax contributions made to the Plan. Participants who have attained the age of 50 before the close of the Plan year may contribute an additional catch-up contribution as defined by the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans.

### Participant Accounts

Each participant's account is credited with the participant's contribution and Plan allocation of earnings/losses and charged with an allocation of administrative expenses. Allocations are based on account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

### Vesting

Participants are immediately vested in their contributions plus actual earnings/losses thereon.

### Investment Options

Investments are held within various investment funds maintained by Capital Bank and Trust Company. Contributions are invested, at the discretion of the participant, in one or a combination of available investment options.

## 1. DESCRIPTION OF THE PLAN (Continued)

### Payment of Benefits

Upon termination of service, a participant may elect to receive a lump-sum amount equal to the vested value of their account. Upon death, disability, or retirement a participant may elect to receive a series of payments over a period not to exceed the life expectancy of the participant or the joint life expectancy of the participant and their beneficiary.

Hardship withdrawals are permitted in the event of immediate financial need. Participants may elect to receive a hardship withdrawal in an amount equal to their deferral contributions.

In-service withdrawals are permitted for participants that are age 59 ½ or older.

### Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of the participant's vested account balance, subject to certain conditions as defined in the Plan agreement. The loan and interest thereon shall be repaid over a period not to exceed five years (except for certain residential loans which can extend up to twenty-five years). The loans are secured by the balance in the participant's account and bear interest at the prime rate plus one percent, as determined on the first day of each calendar quarter in which the loan was issued. Interest rates on outstanding loans ranged from 4.25% to 5.25% at December 31, 2017. Principal and interest are paid ratably through weekly payroll deductions.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The accompanying financial statements of the Plan have been prepared using the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America.

Investments held by a defined benefit contribution plan are required to be reported at fair value, except for fully benefit-responsive investment contracts. Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the Plan.

### Investment Valuation and Income Recognition

Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract 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.

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 (depreciation) in fair value of investments includes the Plan's gains and losses on investments bought and sold as well as held during the year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near-term would materially affect participant account balances and the amounts reported in the statements of net assets available for benefits.

### Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. No allowance for credit losses has been recorded as of December 31, 2017 and 2016. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

### Payment of Benefits

Benefits are recorded when paid.

### Administrative Expenses

The Company absorbs reasonable expenses incurred in the administration of the Plan, that includes accounting and legal fees. Expenses relating to certain participant transactions, such as fees related to distributions and notes receivable from participants, are deducted from the participant's account as the transactions occur.

### Fair Value Measurement - Definition and Hierarchy

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

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

*Level 2*: Inputs to the valuation methodology include:

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

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

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Fair Value Measurement - Definition and Hierarchy (Continued)**
A description of where the Plan's investments fall within the ASC 820 hierarchy is provided in Note 3. There were no transfers between levels of the fair value hierarchy during 2017 or 2016.

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

## 3. FAIR VALUE MEASUREMENTS

The 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.

- *Mutual funds*: valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

The following tables set forth, by level within the fair value hierarchy, the Plan's fair value measurement at December 31, 2017 and 2016.

Fair value measurement at December 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds | $ 10,217,360 | $ - | $ - | $ 10,217,360 |

Fair value measurement at December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Mutual funds: | $ 8,174,432 | $ - | $ - | $ 8,174,432 |

## 4. INVESTMENTS

The Plan administrator has received a certification from Capital Bank and Trust Company, the trustee of the Plan, that states that the following information is complete and accurate as of and for the years ended December 31, 2017 and 2016:

| | 2017 | 2016 |
|---|---|---|
| Statements of net assets available for benefits: | | |
| Mutual funds, at fair value | $ 10,217,360 | $ 8,174,432 |
| Fully benefit-responsive contracts, at contract value | $ 327,571 | $ 279,173 |
| Notes receivable from participants | $ 242,386 | $ 216,800 |
| Statements of changes in net assets available for benefits: | | |
| Interest and dividend income | $ - | $ 2,005 |
| Net appreciation in fair value of investments | $ 1,674,733 | $ 568,030 |
| Interest income on notes receivable from participants | $ 14,880 | $ 9,312 |
| Schedule of Assets (Held at End of Year) | Schedule I | |

## 5. GUARANTEED INCOME FUND WITH INSURANCE COMPANY

The Plan is invested in a fully benefit-responsive income contract with Great West Life & Annuity Insurance Company of New York (GWLAIC). GWLAIC maintains the contributions in a general account. The account is credited with earnings on the credited interest rate and charged for participant withdrawals and administrative expenses. The contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed income fund is fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. Contract value, as reported to the Plan by GWLAIC, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative fees. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract value of the contract at December 31, 2017 and 2016 was $327,571 and $279,173, respectively. The crediting interest rate is based on a contractually guaranteed interest rate. Such interest rates are reviewed on a quarterly basis for resetting.

Generally there are no events that could limit the ability of the Plan to transact at contract value. If the Plan Sponsor chooses to eliminate this fund from the Plan, there may be participant transfer restrictions until the assets are paid out of the fund. The Plan administrator does not believe that any events that would limit the Plan's ability to transact at contract value with Plan participants or the issuer are probable of occurring.

## 6. PARTY-IN-INTEREST TRANSACTIONS

Plan investments include shares of mutual funds managed by Capital Bank and Trust Company, the trustee of the Plan. Capital Bank and Trust Company owns American Funds, the third-party administrator of the Plan. Transactions with these companies qualify as party-in-interest transactions.

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The Internal Revenue Service has determined and informed the Company by a letter dated March 31, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since the date of the letter, the Plan administrator and Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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