# 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

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**1c** Effective date of plan 01/01/1996

**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)
HILL & MARKES, INC.

1997 STATE HIGHWAY 5S
AMSTERDAM, NY 12010

**2b** Employer Identification Number (EIN)
14-0751030

**2c** Plan Sponsor's telephone number
518-842-2410

**2d** Business code (see instructions)
454390

**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. | 10/15/2019 | JILLIAN DEGIULIO |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address ☐ Same as Plan Sponsor

HILL & MARKES, INC.

1997 STATE HIGHWAY 5S
AMSTERDAM, NY 12010

**3b** Administrator's EIN
14-0751030

**3c** Administrator's telephone number
518-842-2410

**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** | 167 |
| **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)** | 153 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 147 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 16 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 163 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 163 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 128 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 16 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

2E 2F 2G 2J 2K 2T 3D

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

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

| | | |
|---|---|---|
| **(1)** | X | 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)** | X | 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)** | X | 1 | **A** (Insurance Information) |
| **(4)** | X | | **C** (Service Provider Information) |
| **(5)** | X | | **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 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

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

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
HILL & MARKES, INC.

**D** Employer Identification Number (EIN)
14-0751030

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

**1** Coverage Information:

**(a)** Name of insurance carrier
TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 36-6071399 | 70688 | 517273 | 128 | 01/01/2018 | 12/31/2018 |

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

| (a) Total amount of commissions paid | (b) Total amount of fees paid |
|---|---|
| 0 | 6050 |

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

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

STRATEGIC PENSION SERVICES, LLC
376 ALBANY SHAKER ROAD
ALBANY, NY 12211

| (b) Amount of sales and base commissions paid | Fees and other commissions paid | | (e) Organization code |
|---|---|---|---|
| | (c) Amount | (d) Purpose | |
| 0 | 6050 | ADMINISTRATIVE FEES | 5 |

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

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

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

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

Specify nature of costs ▶

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

(3) ☐ other (specify) ▶

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

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

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

(3) ☐ guaranteed investment (4) ☒ other ▶ STABLE VALUE OPTION

| | | | | | |
|---|---|---|---|---|---|
| **b** | Balance at the end of the previous year | | | **7b** | 0 |
| **c** | Additions: (1) Contributions deposited during the year | **7c(1)** | | | |
| | (2) Dividends and credits | **7c(2)** | | | |
| | (3) Interest credited during the year | **7c(3)** | | | |
| | (4) Transferred from separate account | **7c(4)** | | | |
| | (5) Other (specify below) | **7c(5)** | | | |
| | ▶ | | | | |
| | (6) Total additions | | | **7c(6)** | 0 |
| **d** | Total of balance and additions (add lines **7b** and **7c(6)**). | | | **7d** | 0 |
| **e** | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | **7e(1)** | | | |
| | (2) Administration charge made by carrier | **7e(2)** | | | |
| | (3) Transferred to separate account | **7e(3)** | | | |
| | (4) Other (specify below) | **7e(4)** | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | **7e(5)** | 0 |
| **f** | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | **7f** | 0 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | 0 |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | 0 |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs. | | | **10b** | |

## Part IV Provision of Information

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

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2018**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
HILL & MARKES, INC.

**D** Employer Identification Number (EIN)
14-0751030

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

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

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

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

TRANSAMERICA RETIREMENT SOLUTIONS

13-3689044

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

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

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

TRANSAMERICA

13-3689044

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 37 52 62 64 67 | RECORDKEEPER | 47166 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

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

M HOLDING SECURITIES, INC

91-1802259

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 22 23 53 | BROKER | 0 | Yes [X] No [ ] | Yes [ ] No [X] | 10421 | Yes [ ] No [X] |

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

STRATEGIC PENSION SERVICES, LLC

14-1836262

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 15 37 64 | RECORDKEEPER | 2425 | Yes [X] No [ ] | Yes [X] No [ ] | 156 | Yes [ ] No [X] |

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| M HOLDING SECURITIES INC | 22 23 53 | 10421 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| TRANSAMERICA RETIREMENT SOLUTIONS<br><br>13-3689044 | COMMISSIONS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| M HOLDING SECURITIES INC | 22 23 53 | 10421 |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| TRANSAMERICA RETIREMENT SOLUTIONS<br><br>13-3689044 | COMMISSIONS |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | | | |
|---|---|---|---|
| **a** | Name: TEAL BECKER & CHIARMONTE CPA | **b** EIN: | 14-1624930 |
| **c** | Position: CPA | | |
| **d** | Address: 7 WASHINGTON SQ.<br>ALBANY, ND 12205 | **e** Telephone: | 518-456-6663 |

Explanation: THE PLAN SPONSOR WANTED THE AUDITORS OF THE PLAN SPONSOR AND THE 401(K) PLAN TO BE CONSISTENT

| | | | |
|---|---|---|---|
| **a** | Name: TEAL BECKER & CHIARMONTE CPA | **b** EIN: | 14-1624930 |
| **c** | Position: CPA | | |
| **d** | Address: 7 WASHINGTON SQ.<br>ALBANY, ND 12205 | **e** Telephone: | 518-456-6663 |

Explanation: THE PLAN SPONSOR WANTED THE AUDITORS OF THE PLAN SPONSOR AND THE 401(K) PLAN TO BE CONSISTENT

| | | | |
|---|---|---|---|
| **a** | Name: | **b** EIN: | |
| **c** | Position: | | |
| **d** | Address: | **e** Telephone: | |

Explanation:

| | | | |
|---|---|---|---|
| **a** | Name: | **b** EIN: | |
| **c** | Position: | | |
| **d** | Address: | **e** Telephone: | |

Explanation:

| | | | |
|---|---|---|---|
| **a** | Name: | **b** EIN: | |
| **c** | Position: | | |
| **d** | Address: | **e** Telephone: | |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection.**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
HILL & MARKES, INC.

**D** Employer Identification Number (EIN)
14-0751030

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: RELIANCE/METLIFE STABLE 25053 CLASS

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071399-000 | P | 1713250 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS INC FUND OF AMER R6

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071400-000 | P | 1487842 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS AMERICAN BALANCED R6

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071401-000 | P | 1118671 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD 500 INDEX ADM

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071402-000 | P | 797990 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: MFS GROWTH R6

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071403-000 | P | 794076 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD TOTAL INTERNATIONAL STOCK

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071404-000 | P | 575819 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: INVESCO DVFD DIVIDEND R6

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-6071405-000 | P | 548481 |

| | | | |
|---|---|---|---|
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | T. ROWE PRICE RETIREMENT I 2030 I | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071406-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 453731 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | JANUS HENDERSON ENTERPRISE N | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071407-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 417646 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | METROPOLITAN WEST TOTAL RETURN BOND | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071408-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 391174 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | VANGUARD MID CAP INDEX ADM | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071409-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 385681 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | VANGUARD SMALL-CAP VALUE INDEX FUND | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071410-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 262000 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | PUTNAM DYNAMIC ASSET ALLOCATION GR | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071411-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 195622 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | VANGUARD WELLESLEY INCOME ADM | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071412-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 179652 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | LORD ABBETT HIGH YIELD R6 | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071413-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 140777 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | VANGUARD SMALL CAP INDEX ADM | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071414-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 132276 |
| **a** Name of MTIA, CCT, PSA, or 103-12 IE: | FIRST EAGLE GLOBAL I | | |
| **b** Name of sponsor of entity listed in (a): | TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY | | |
| **c** EIN-PN 36-6071415-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) | 129506 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE: OPPENHEIMER REAL ESTATE Y

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071416-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 126686 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: JANUS HENDERSON TRITON I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071417-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 109209 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS NEW WORLD R6

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071418-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 65255 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: OPPENHEIMER INTERNATIONAL GROWTH I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071419-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 52069 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VANGUARD INFLATION-PROTECTED SECS A

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071420-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 36951 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2050 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071421-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 33477 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2055 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071422-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 30021 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: LORD ABBETT SHORT DURATION INCOME R

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071423-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 24713 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2040 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071424-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 20290 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2045 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071425-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 18366 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: VICTORY SYCAMORE ESTABLISHED VALUE

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071426-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 15223 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: AMERICAN FUNDS NEW PERSPECTIVE R6

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071427-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 13593 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PIMCO INTERNATIONAL BOND (USD-HEDGE

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071428-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 12521 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: EATON VANCE ATLANTA CAPITAL SMID-CA

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071429-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 6100 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2060 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071430-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4183 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: DFA INTERNATIONAL SMALL COMPANY I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071431-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 3870 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: DFA COMMODITY STRATEGY I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071432-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1979 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2025 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071433-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 472 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: PERS CHOICE RETIREMNT ACCOUNT

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071434-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2005 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071435-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2010 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071436-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2015 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071437-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2020 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071438-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE: T. ROWE PRICE RETIREMENT I 2035 I

**b** Name of sponsor of entity listed in (a): TRANSAMERICA FINANCIAL LIFE INSURANCE COMPANY

| **c** EIN-PN 36-6071439-000 | **d** Entity code P | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0 |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

| | |
|---|---|
| **a** Plan name | |
| **b** Name of plan sponsor | **c** EIN-PN |

# 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

**2018**

**This Form is Open to Public Inspection**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
HILL & MARKES, INC.

**D** Employer Identification Number (EIN)
14-0751030

## 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) | 2850 | 0 |
| **(2)** Participant contributions | 1b(2) | 20051 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **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) | 223383 | 232977 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 1713250 |
| **(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) | 11606664 | 8585922 |
| **(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 | 11852948 | 10532149 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | 0 | 8226 |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 8226 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 11852948 | 10523923 |

## 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) | 96927 | |
| | **(B)** Participants | 2a(1)(B) | 667146 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 2373 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 766446 |
| **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) | 10826 | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 10826 |
| | **(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) | 439685 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 439685 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | -58493 |
| (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) | | -800603 |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 357861 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1608668 | |
| (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) | | 1608668 |
| f Corrective distributions (see instructions) | 2f | | 12683 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 15944 |
| h Interest expense | 2h | | |
| i Administrative expenses: (1) Professional fees | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | 49591 | |
| (3) Investment advisory and management fees | 2i(3) | | |
| (4) Other | 2i(4) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 49591 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1686886 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -1329025 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

**(1)** Name: MARVIN AND COMPANY, P.C. **(2)** EIN: 14-1567343

**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 | | X | |

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

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

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

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

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2018**

**This Form is Open to Public Inspection.**

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

**A** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
HILL & MARKES, INC.

**D** Employer Identification Number (EIN)
14-0751030

## Part I Distributions

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

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

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

EIN(s): _____ _____

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

---

**a** Name of contributing employer

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

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

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

**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):

MARVIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
*A History of Shaping Futures*

October 11, 2019

To the Plan Administrator and Trustee
Hill & Markes Inc. 401(k) Plan

We have conducted a DOL limited-scope audit of the financial statements of the Hill & Markes Inc. 401(k) Plan (the Plan) for the year ended December 31, 2018, and have issued our report thereon dated October 11, 2019. 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 5 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule as a whole. We did, however, audit 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 custodians, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated that information in our engagement letter dated December 6, 2018. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practice*

Plan management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise plan management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, all significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. We have evaluated the key factors and assumptions used by management in determining that the estimates are reasonable in relation to the financial statements as a whole.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no known or likely misstatements as a result of our audit procedures.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested and received certain representations from management that are included in the management representation letter dated October 11, 2019.

*Management Consultations with Other Independent Accountants*

In some cases, plan management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

The audit of the December 31, 2018, financial statements was our first year auditing the Plan, therefore, we discussed a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and we believe our responses were not a condition to our retention.

This information is intended solely for the information and use of the Plan's management and the Trustee of the Hill & Markes Inc. 401(k) Plan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Marvin and Company, P.C.

# HILL & MARKES, INC. 401(K) PLAN
# FINANCIAL REPORT
# DECEMBER 31, 2018

# HILL & MARKES, INC. 401(K) PLAN

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MARVIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
*A History of Shaping Futures*

# INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Trustee
Hill & Markes Inc. 401(k) Plan

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Hill & Markes Inc. 401(k) Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2018 and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Plan 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 audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Transamerica Financial Life Insurance Company, the Custodian of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that Transamerica Financial Life Insurance Company holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Custodian as of and for the year ended December 31, 2018, that the information provided to the plan administrator by the Custodian is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2018 financial statements. Accordingly, we do not express an opinion on the 2018 financial statements referred to in the first paragraph.

**Other Matter - Supplemental Schedule**

The supplemental schedule of assets (held at end of year) as of December 31, 2018, 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 this supplemental schedule.

**Other Matter - 2017 Financial Statements**

The financial statements of the Plan as of December 31, 2017, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure in the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Transamerica Financial Life Insurance Company and Massachusetts Mutual Life Insurance Company, the Custodians of the Plan. Their report dated, September 12, 2018, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Custodians, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERIA.

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

The form and content of the information included in the 2018 financial statements and supplemental schedule, other than that derived from the information certified by the Custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marvin and Company, P.C.

Latham, NY
October 11, 2019

# HILL & MARKES, INC. 401(K) PLAN
# STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
# DECEMBER 31, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| Investments, at fair value | $ 10,299,172 | $ 11,606,664 |
| Total Investments, at fair value | 10,299,172 | 11,606,664 |
| Receivables | | |
| Notes receivable from participants | 232,977 | 223,383 |
| Employee contributions | - | 20,051 |
| Employer contributions | - | 2,850 |
| Total Receivables | 232,977 | 246,284 |
| **Total Assets** | 10,532,149 | 11,852,948 |
| **LIABILITIES** | | |
| Corrective distributions payable | 8,226 | - |
| **Total Liabilities** | 8,226 | - |
| **Net Assets Available for Benefits** | $ 10,523,923 | $ 11,852,948 |

See accompanying notes to financial statements.

# HILL & MARKES, INC. 401(K) PLAN
# STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
# FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | 2018 | 2017 |
|---|---|---|
| **Additions to Net Assets Attributed to:** | | |
| Investment Income (Loss) | | |
| Net appreciation (depreciation) in value of Investments | $ (859,096) | $ 1,081,357 |
| Dividend income | 439,685 | 298,986 |
| Total Investment Income (Loss) | (419,411) | 1,380,343 |
| Interest received on notes receivable from participants | 10,826 | 10,504 |
| Contributions | | |
| Employee | 667,146 | 699,547 |
| Employer | 96,927 | 97,592 |
| Rollover | 2,325 | 18,435 |
| Miscellaneous | 48 | - |
| Total Contributions | 766,446 | 815,574 |
| Total Additions | 357,861 | 2,206,421 |
| **Deductions from Net Assets Attributed to:** | | |
| Benefits paid to participants | 1,608,668 | 1,631,909 |
| Corrective distributions | 12,683 | 15,202 |
| Deemed distributions of notes receivable from participants | 15,944 | 15,443 |
| Administrative expenses and participant transaction fees | 49,591 | 33,106 |
| Total Deductions | 1,686,886 | 1,695,660 |
| **Net Increase (Decrease) in Net Assets Available for Benefits** | (1,329,025) | 510,761 |
| Net Assets Available for Benefits, Beginning of Year | 11,852,948 | 11,342,187 |
| **Net Assets Available for Benefits, End of Year** | $ 10,523,923 | $ 11,852,948 |

See accompanying notes to financial statements.

# HILL & MARKES, INC. 401(K) PLAN
# NOTES TO FINANCIAL STATEMENTS
# DECEMBER 31, 2018 AND 2017

## 1. DESCRIPTION OF PLAN

### *General*

The Hill & Markes Inc. 401(k) Plan (the Plan) was originally effective January 1, 1996. The Plan is sponsored by Hill & Markes, Inc. (the Company). The following brief description of the Plan is provided for general informational purposes only. Participants should refer to the plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan covering substantially all of the employees of the Company, who are age 21 or older and who have attained six months of credit service, except those subject to collective bargaining agreements and certain nonresidential aliens. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

### *Contributions*

Each year, participants may contribute pretax annual compensation as defined in the plan document, subject to certain limitations. The maximum participant deferral for the years ended December 31, 2018 and 2017, was $18,500 and $18,000, respectively. Participants age 50 and over are also permitted to make additional "catch-up" contributions with a total maximum contribution in 2018 and 2017 of $24,500 and $24,000, per year, respectively. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of their contributions, and the Company's matching contributions, if any, into various investment options offered by the Plan.

The Company may, at its discretion, make matching contributions once a participant meets the eligibility requirements as defined in the plan document. During the years ended December 31, 2018 and 2017, the Company made matching contributions equal to 25% of the actual deferrals of the first 6% of eligible employees' salaries. Additionally, the Company has the option of making additional discretionary contributions. There were no additional discretionary contributions made for the years ended December 31, 2018 and 2017.

### *Participant Accounts*

The Plan allows each participant to select the investments in their individual account. Each participant's account is credited with the participant's contribution, the Company's matching contribution, if any, and allocations of (a) investment earnings and losses, and (b) administrative expenses. Allocations are based on participant earnings or account balances, as defined in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

### *Notes Receivable from Participants*

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The loans must be adequately secured and made in accordance with the terms of the Plan. Principal and interest is paid ratably through payroll deductions.

# HILL & MARKES, INC. 401(K) PLAN
# NOTES TO FINANCIAL STATEMENTS
# DECEMBER 31, 2018 AND 2017

## 1. DESCRIPTION OF PLAN

### *Vesting*

Participants are vested immediately in their contributions plus actual earnings or losses thereon. Vesting in the Company's matching contribution portion of their accounts is based on years of continuous service and is the earlier of the vesting schedule below or plan termination, the occurrence of normal retirement age (65), or death or disability.

| Years of Service | Percent Vested |
|---|---|
| Less than 2 | 0% |
| 2 but less than 3 | 20% |
| 3 but less than 4 | 40% |
| 4 but less than 5 | 60% |
| 5 but less than 6 | 80% |
| 6 or more | 100% |

### *Payment of Benefits*

On termination of service due to death, disability, or retirement, a participant may elect to receive an amount equal to the value of the participant's vested interest in their account, either in a lump sum amount or a series of payments, subject to limitations. Normal retirement under the Plan is 65 years of age. There are no provisions for early retirement. Hardship withdrawals of elective deferrals and the participant's vested portion of the Company's matching contributions are allowed as defined by the Plan. The Plan also permits in-service distributions after attaining age 59 ½.

### *Forfeited Accounts*

At December 31, 2018 and 2017, forfeited non-vested accounts totaled $4,158 and $1,370, respectively. These accounts may be used to pay for plan expenses or reduce future employer contributions. For the years ended December 31, 2018 and 2017, $-0- and $3,397, respectively, was used to reduce employer contributions made to the Plan.

### *Administrative Expenses*

Certain administrative expenses of the Plan are paid for by the Company, while participant transaction fees are charged directly to participant accounts as incurred.

### *Investment Options*

The Plan's provisions allow participants to make their own investment elections with the Plan's investment custodian, Transamerica. Participants may direct their contributions into one or more registered investment companies (mutual funds) and a stable value account.

Participants may change their investment options at any time by contacting the investment manager or via their online account.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Basis of Accounting***

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

***Use of Estimates***

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

***Investment Valuation and Income Recognition***

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company determines the Plan's valuation policies utilizing information provided by the investment adviser and custodian. See Note 6 for discussion of fair value measurements.

Investment income recognized by the Plan includes earnings from investments, net gains (losses) realized from sale of investments, and the net change in the unrealized appreciation (depreciation) of investments. 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.

***Excess Contributions Payable***

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2018 excess contributions to the applicable participants in March 2019.

***Benefits***

Payments of benefits are recorded when paid.

***Notes Receivable from Participants***

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from participants is recognized by the Plan in the period in which it is earned based on the outstanding principal balance times the stated interest rate at the date the note receivable originated. Delinquent participant notes are reclassified as deemed distributions based upon the terms of the plan document.

***Reclassifications***

Certain of the 2017 financial statements have been reclassified to conform to current year presentation. Net assets available for benefits are unchanged due to these reclassifications.

## *3.* RISKS AND UNCERTAINTIES

The Plan invests in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect participant account balances and amounts reported in the statements of net assets available for benefits.

## 4. INCOME TAX STATUS

The underlying non-standardized prototype has received an opinion from the Internal Revenue Service (IRS) dated March 31, 2014, stating that the form of the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is tax exempt. In accordance with Revenue Procedures 2005-6 and Announcement 2001-77, the plan administrator has determined that it is eligible to, and has chosen to, rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The prototype plan has been amended to comply with recent legislation. However, the plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Generally accepted accounting principles in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require the recording of a liability or disclosure in the financial statements.

## 5. INFORMATION CERTIFIED BY THE CUSTODIANS

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Transamerica Financial Life Insurance Company, the Plan's Custodian has certified to the completeness and accuracy of the investments and notes receivable from participants reflected in the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, and the related investment activity and interest income from notes receivable from participants reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018. Transamerica Financial Life Insurance Company also certified to the completeness and accuracy of the investment activity and interest income from notes receivable from participants reflected in the 2017 statement of changes in net assets available for benefits for the period April 21, 2017 through December 31, 2017 and Massachusetts Mutual Life Insurance Company, the Plan’s Custodian for the period January 1, 2017 through April 20, 2017, certified to the completeness and accuracy of the investment activity and interest income from notes receivable from participants reflected in the 2017 statement of changes in net assets available for benefits for the period January 1, 2017 through April 20, 2017. Transamerica Financial Life Insurance Company has certified to the completeness and accuracy of the investments reflected in the accompanying schedule of assets (held at end of year) as of December 31, 2018.

## 6. FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Accounting Standards Codification 820, *Fair Value Measurements*, establishes a 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy 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 and liabilities in inactive markets;
    - Inputs other than quoted prices that are observable for the asset or liability;
    - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

The following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2018 and 2017.

Registered Investment Companies (mutual funds): Fair value based on quoted prices in active markets at year end.

Common Collective Trust - Stable Value Trust Fund: The Plan holds investments in the MetLife Stable Value Trust Fund (SVTF), which is classified as a common collective trust. The SVTF invests in guaranteed investment contracts, investment contracts, structured or synthetic investment contracts, separate account contracts, and other similar instruments that are intended to maintain a constant net asset value while permitting participant-initiated transactions. Units in common collective trust funds are not publicly traded, but rather, are redeemable only by the issuer. The value of the Plan's investments in common trust funds represents the value of the Plan's interest in the overall value of the common trust funds. The SVTF is valued at fair value using the net asset value ("NAV").

## 6. FAIR VALUE MEASUREMENTS

The NAV, as provided by Transamerica, of each common collective trust fund is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by each fund less its liabilities. This practical expedient would not be used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchases and sales) may occur daily. Were the Plan to initiate a full redemption of any common collective trust, each investment advisor reserves the right to temporarily delay withdrawal to ensure that securities liquidation will be carried out in an orderly business manner.

The methods described above 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.

Fair values of assets measured on a recurring basis at December 31 are as follows:

| | Fair Value | Quoted Prices in Active Markets for Identical Assets (Level 1) |
|---|---|---|
| December 31, 2018 | | |
| Registered investment companies (mutual funds) | $ 8,585,922 | $ 8,585,922 |
| Total investments in the fair value hierarchy | 8,585,922 | 8,585,922 |
| Investments measured at net asset value - Stable Value Trust Fund (a) | 1,713,250 | - |
| Total Investments at Fair Value | $10,299,172 | $ 8,585,922 |
| December 31, 2017 | | |
| Registered Investment Companies (mutual funds) | $ 9,345,294 | $ 9,345,294 |
| Total investments in the fair value hierarchy | 9,345,294 | 9,345,294 |
| Investments measured at net asset value - Stable Value Trust Fund (a) | 2,261,370 | - |
| Total Investments at Fair Value | $11,606,664 | $ 9,345,294 |

(a) In accordance with ASC Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit a reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

## 6. FAIR VALUE MEASUREMENTS

***Changes in Fair Value Levels***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. There were no transfers between levels during the years ended December 31, 2018 and 2017.

## 7. PARTIES-IN-INTEREST

The Plan is sponsored by Hill & Markes, Inc. The Plan and the sponsor are considered related parties based upon shared management as the plan administrator and one of the trustees is the owner of the Company. The following organizations are considered parties-in-interest based upon services provided to the Plan during the years ended December 31, 2018 and 2017:

Hill & Markes, Inc. - Plan Sponsor
Marvin and Company, P.C. - Plan Audit Firm (plan year 2018)
Teal Becker & Chiarmonte CPAs, P.C. - Plan Audit Firm (plan year 2017)
Strategic Pension Services, LLC - Third Party Administrator
Transamerica Financial Life Insurance Company - Custodian (April 21, 2017 forward)
Massachusetts Mutual Life Insurance Company - Custodian (January 1- April 20, 2017)
Eagle Rock Wealth Management - Investment Advisor
M. Holding Securities, Inc. - Investment Broker Services

Strategic Pension Services, LLC provides recordkeeping services to the Plan. For the years ended December 31, 2018 and 2017, the Plan paid $2,424 and $1,055, respectively, for these services. As the services relate to participant initiated transactions (withdrawals) they are included in administrative expenses and participant transaction fees in the accompanying statements of changes in net assets available for benefits.

Transamerica Financial Life Insurance Company provides recordkeeping services to the Plan. For the years ended December 31, 2018 and 2017, the Plan paid $47,167 and $30,831, respectively, for these services. As the services relate to participant initiated transactions (withdrawals) they are included in administrative expenses and participant transaction fees in the accompanying statements of changes in net assets available for benefits.

M. Holding Securities, Inc. provides investment brokerage services to the Plan. For the years ended December 31, 2018 and 2017, the Plan paid $10,421 and $-0-, respectively, for these services. These amounts are included in the net appreciation (depreciation) in investments in the accompanying statements of net assets available for benefits.

For the years ended December 31, 2018 and 2017, there were no prohibited transactions between either the related parties and the Plan or the parties-in-interest.

## 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 the plan document and ERISA. In the event that the Plan terminates, participants will become 100% vested in the Company's matching contributions portion of their accounts, and the net assets of the Plan will be allocated as prescribed by the plan document and ERISA. Upon termination of the Plan, the Custodian will continue to hold the plan assets and will make distributions of the Plan benefits in accordance with the instructions of the plan administrator and the Plan's provisions.

## 9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits included in the financial statements to the Form 5500 at December 31:

| | 2018 | 2017 |
|---|---|---|
| Net assets available for benefits, financial statements | $ 10,523,923 | $ 11,852,948 |
| Add: Receivable adjustment | - | 3,513 |
| Net assets available for benefits, Form 5500 | $ 10,523,923 | $ 11,856,461 |

For the year ended December 31, 2018, there were no differences between the statement of changes in net assets available for benefits included in the financial statements and the 2018 Form 5500.

## 10. SUBSEQUENT EVENTS

Plan management has evaluated events subsequent to the statement of net assets available for benefits date of December 31, 2018, and through October 11, 2019 which is the date these financial statements were available to be issued, and has determined that there are no subsequent events that require recording or disclosure.

**HILL & MARKES INC. 401(k) PLAN**
**EIN 14-0751030, PLAN 001**
**SUPPLEMENTAL INFORMATION**
**DECEMBER 31, 2018**

**SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

| (a) | (b) | (c) | (d) | (e) |
|---|---|---|---|---|
| **Parties in Interest** | **Identity of issue borrower, lessor or similar party** | **Description of investment including maturity date, rate of interest, collateral, par, or maturity value** | **Cost*** | **Current Value** |
| | Reliance/MetLife Stable 25053 Class O | Stable Value Trust Fund | $ - | $ 1,713,250 |
| | American Funds American Balanced R6 | Registered Investment Company (mutual fund) | - | 1,118,671 |
| | American Funds Income Fund of America R6 | Registered Investment Company (mutual fund) | - | 1,487,842 |
| | American Funds New Perspective R6 | Registered Investment Company (mutual fund) | - | 13,593 |
| | American Funds New World R6 | Registered Investment Company (mutual fund) | - | 65,255 |
| | DFA Commodity Strategy Instututional | Registered Investment Company (mutual fund) | - | 1,979 |
| | DFA International Small Company Institutional | Registered Investment Company (mutual fund) | - | 3,870 |
| | Eaton Vance Atlanta Capital SMID-Cap R6 | Registered Investment Company (mutual fund) | - | 6,100 |
| | First Eagle Global Institutional | Registered Investment Company (mutual fund) | - | 129,506 |
| | Invesco Diversified Dividend R6 | Registered Investment Company (mutual fund) | - | 548,481 |
| | Janus Henderson Enterprise N | Registered Investment Company (mutual fund) | - | 417,646 |
| | Janus Henderson Triton I | Registered Investment Company (mutual fund) | - | 109,209 |
| | Lord Abbett High Yield R6 | Registered Investment Company (mutual fund) | - | 140,777 |
| | Lord Abbett Short Duration Income R6 | Registered Investment Company (mutual fund) | - | 24,713 |
| | MFS Growth R6 | Registered Investment Company (mutual fund) | - | 794,076 |
| | Metropolitan West Total Return Bond Plan | Registered Investment Company (mutual fund) | - | 391,174 |
| | Oppenheimer International Growth Institutional | Registered Investment Company (mutual fund) | - | 52,069 |
| | Oppenheimer Real Estate Y | Registered Investment Company (mutual fund) | - | 126,686 |
| | PIMCO International Bond (USD Hedged) Instl | Registered Investment Company (mutual fund) | - | 12,521 |
| | Putnam Dynamic Asset | Registered Investment Company (mutual fund) | - | 195,622 |
| | T. Rowe Price Retirement 2025 Fund I | Registered Investment Company (mutual fund) | - | 472 |
| | T. Rowe Price Retirement 2030 Fund I | Registered Investment Company (mutual fund) | - | 453,731 |
| | T. Rowe Price Retirement 2040 Fund I | Registered Investment Company (mutual fund) | - | 20,290 |
| | T. Rowe Price Retirement 2045 Fund I | Registered Investment Company (mutual fund) | - | 18,366 |
| | T. Rowe Price Retirement 2050 Fund I | Registered Investment Company (mutual fund) | - | 33,477 |
| | T. Rowe Price Retirement 2055 Fund I | Registered Investment Company (mutual fund) | - | 30,021 |
| | T. Rowe Price Retirement 2060 Fund I | Registered Investment Company (mutual fund) | - | 4,183 |
| | Vanguard 500 Index Admiral | Registered Investment Company (mutual fund) | - | 797,990 |
| | Vanguard Inflation Protected Secs Admiral | Registered Investment Company (mutual fund) | - | 36,951 |
| | Vanguard Mid Cap Index Admiral | Registered Investment Company (mutual fund) | - | 385,681 |
| | Vanguard Small Cap Index Admiral | Registered Investment Company (mutual fund) | - | 132,276 |
| | Vanguard Small Cap Value Index Admiral | Registered Investment Company (mutual fund) | - | 262,000 |
| | Vanguard Total Intl Stock Index Admiral | Registered Investment Company (mutual fund) | - | 575,819 |
| | Vanguard Wellesley Income Admiral | Registered Investment Company (mutual fund) | - | 179,652 |
| | Victory Sycamore Established Value R6 | Registered Investment Company (mutual fund) | - | 15,223 |
| | Total Investments | | | 10,299,172 |
| ** | Notes Receivable from Participants | Participant loans, interest ranging from 4.25% - 6.25%, with variuous maturities through November 2023 | - | 232,977 |
| | Total | | $ - | $ 10,532,149 |

* Cost information may be omitted with respect to participant or beneficiary directed transactions under an individual account plan.

** Indicates that the issuer is a party-in-interest as defined in the Employee Retirement Income Security Act of 1974.

# 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

**2018**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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

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

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

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

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
HILL & MARKES, INC. 401K PLAN

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

**1c** Effective date of plan 01/01/1996

**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)

HILL & MARKES, INC.

1997 STATE HIGHWAY 5S

AMSTERDAM NY 12010

**2b** Employer Identification Number (EIN)
14-0751030

**2c** Plan Sponsor's telephone number
518-842-2410

**2d** Business code (see instructions)
454390

**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** | Jillian DeGiulio | 10/15/2019 | Jillian DeGiulio |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

**3a** Plan administrator's name and address ☐ Same as Plan Sponsor

HILL & MARKES, INC.

1997 STATE HIGHWAY 5S

AMSTERDAM NY 12010

**3b** Administrator's EIN: 14-0751030

**3c** Administrator's telephone number: 518-842-2410

**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** | 167 |
| **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)** | 153 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 147 |
| **b** | Retired or separated participants receiving benefits | **6b** | 0 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 16 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 163 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e** | **6f** | 163 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 128 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 16 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

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

2E 2F 2G 2J 2K 2T 3D

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

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

- (1) ☒ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

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

- (1) ☒ Insurance
- (2) ☐ Code section 412(e)(3) insurance contracts
- (3) ☒ Trust
- (4) ☐ General assets of the sponsor

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

**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☒ 1 **A** (Insurance Information)
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

**Schedule H, Line 4i**
**Schedule of Assets (Held At End of Year)**

Name of Plan:

► Hill & Markes, Inc. 401k Plan

| | |
|---|---|
| Employer Identification Number:► | 14-0751030 |
| Plan Number: ► | 001 |
| For plan year (beginning/ending):► | 01/01/2018 / 12/31/2018 |

| | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | Reliance/MetLife Stable 25053 Class 0 | Stable Value Account | ** | 1,713,250 |
| * | American Funds Inc Fund of Amer R6 | Pooled Separate Account | ** | 1,487,842 |
| * | American Funds American Balanced R6 | Pooled Separate Account | ** | 1,118,671 |
| * | Vanguard 500 Index Adm | Pooled Separate Account | ** | 797,990 |
| * | MFS Growth R6 | Pooled Separate Account | ** | 794,076 |
| * | Vanguard Total International Stock Index Adm | Pooled Separate Account | ** | 575,819 |
| * | Invesco Dvfd Dividend R6 | Pooled Separate Account | ** | 548,481 |
| * | T. Rowe Price Retirement I 2030 I | Pooled Separate Account | ** | 453,731 |
| * | Janus Henderson Enterprise N | Pooled Separate Account | ** | 417,646 |
| * | Metropolitan West Total Return Bond P | Pooled Separate Account | ** | 391,174 |
| * | Vanguard Mid Cap Index Adm | Pooled Separate Account | ** | 385,681 |
| * | Vanguard Small-Cap Value Index Fund | Pooled Separate Account | ** | 262,000 |
| * | Putnam Dynamic Asset Allocation Gr R6 | Pooled Separate Account | ** | 195,622 |
| * | Vanguard Wellesley Income Adm | Pooled Separate Account | ** | 179,652 |
| * | Lord Abbett High Yield R6 | Pooled Separate Account | ** | 140,777 |
| * | Vanguard Small Cap Index Adm | Pooled Separate Account | ** | 132,276 |
| * | First Eagle Global I | Pooled Separate Account | ** | 129,506 |
| * | Oppenheimer Real Estate Y | Pooled Separate Account | ** | 126,686 |
| * | Janus Henderson Triton I | Pooled Separate Account | ** | 109,209 |
| * | American Funds New World R6 | Pooled Separate Account | ** | 65,255 |
| * | Oppenheimer International Growth I | Pooled Separate Account | ** | 52,069 |
| * | Vanguard Inflation-Protected Secs Adm | Pooled Separate Account | ** | 36,951 |
| * | T. Rowe Price Retirement I 2050 I | Pooled Separate Account | ** | 33,477 |
| * | T. Rowe Price Retirement I 2055 I | Pooled Separate Account | ** | 30,021 |
| * | Lord Abbett Short Duration Income R6 | Pooled Separate Account | ** | 24,713 |
| * | T. Rowe Price Retirement I 2040 I | Pooled Separate Account | ** | 20,290 |
| * | T. Rowe Price Retirement I 2045 I | Pooled Separate Account | ** | 18,366 |
| * | Victory Sycamore Established Value R6 | Pooled Separate Account | ** | 15,223 |
| * | American Funds New Perspective R6 | Pooled Separate Account | ** | 13,593 |
| * | PIMCO International Bond (USD-Hedged) Inst | Pooled Separate Account | ** | 12,521 |
| * | Eaton Vance Atlanta Capital SMID-Cap R6 | Pooled Separate Account | ** | 6,100 |
| * | T. Rowe Price Retirement I 2060 I | Pooled Separate Account | ** | 4,183 |
| * | DFA International Small Company I | Pooled Separate Account | ** | 3,870 |
| * | DFA Commodity Strategy I | Pooled Separate Account | ** | 1,979 |
| * | T. Rowe Price Retirement I 2025 I | Pooled Separate Account | ** | 472 |
| * | PERS CHOICE RETIREMNT ACCOUNT | Pooled Separate Account | ** | 0 |
| * | T. Rowe Price Retirement I 2005 I | Pooled Separate Account | ** | 0 |
| * | T. Rowe Price Retirement I 2010 I | Pooled Separate Account | ** | 0 |
| * | T. Rowe Price Retirement I 2015 I | Pooled Separate Account | ** | 0 |
| * | T. Rowe Price Retirement I 2020 I | Pooled Separate Account | ** | 0 |
| * | T. Rowe Price Retirement I 2035 I | Pooled Separate Account | ** | 0 |
| | Subtotal | | | 10,299,173 |
| * | Participant Loans | Notes at varying rates of interest ranging from 4.25% to 6.25% | | 232,977 |
| | Total assets held for investment | | | 10,532,149 |

* Party-in-Interest as defined by ERISA.

** In accordance with ERISA, the historical cost had been omitted as the Plan's investments are participant directed.