

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
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan ☐ a DFE (specify) ____		
B	This return/report is:	☐ the first return/report ☐ the final return/report	
	☒ an amended return/report ☐ a short plan year return/report (less than 12 months)		
C	If the plan is a collectively-bargained plan, check here. ▶ ☐		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program	
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>003</u>
		1c	Effective date of plan <u>05/01/2018</u>
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) <u>CARDONE INDUSTRIES, INC.</u> <u>5501 WHITAKER AVENUE</u> <u>PHILADELPHIA, PA 19124-1799</u>	2b	Employer Identification Number (EIN) <u>23-1916269</u>
		2c	Plan Sponsor's telephone number <u>215-912-3000</u>
		2d	Business code (see instructions) <u>336300</u>

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.	04/24/2020	SAMANTHA BOYD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	04/24/2020	SAMANTHA BOYD
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 2784
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	 6a(1) 2023 6a(2) 1521 6b 3 6c 737 6d 2261 6e 0 6f 2261 6g 2261 6h 85
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
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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)

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
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018	
A Name of plan CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN	B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269

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.
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1 Coverage Information:

(a) Name of insurance carrier PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY 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
06-1050034	93629	075174	2261	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 0	(b) Total amount of fees paid 0
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II Investment and Annuity Contract Information

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

4 Current value of plan's interest under this contract in the general account at year end	4	2766364
5 Current value of plan's interest under this contract in separate accounts at year end	5	20289785

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. Specify nature of costs ▶	6d	

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 ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT**

b Balance at the end of the previous year.....	7b	0
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c Additions: (1) Contributions deposited during the year	7c(1)	637835
	7c(2)	
	7c(3)	39398
	7c(4)	53599
	7c(5)	2369167

▶ **LOAN REPAYMENTS TRANSFERS IN, FORFEITURE CREDITS
MISCELLANEOUS IN, PLAN ROLLOVER**

(6) Total additions.....	7c(6)	3099999
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d Total of balance and additions (add lines 7b and 7c(6))	7d	3099999
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e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	127722
	7e(2)	211
	7e(3)	611
	7e(4)	205091

▶ **LOAN INITIATIONS TRANSFERS OUT, FORFEITURE DEBITS
MISCELLANEOUS OUT**

(5) Total deductions.....	7e(5)	333635
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f Balance at the end of the current year (subtract line 7e(5) from line 7d)	7f	2766364
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Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

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

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	

Specify nature of costs.

Part IV Provision of Information

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

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

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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 CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269	

Part I	Service Provider Information (see instructions)
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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)..... ☒ 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
PRUDENTIAL RETIREMENT INSURANCE AND
06-1050034

(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)

ONEAMERICA RETIREMENT SERVICES LLC

46-5378846

(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 38 50 64	NONE	132791	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

UBS FINANCIAL SERVICES INC.

13-2638166

(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?
27	NONE	92393	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(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?
13 15 37 50 64 65	NONE	54143	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(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
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

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

A Name of plan <u>CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>CARDONE INDUSTRIES, INC.</u>	D Employer Identification Number (EIN) <u>23-1916269</u>	

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)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MORLEY STABLE VALUE FUND</u>		
b Name of sponsor of entity listed in (a): <u>MORLEY FINANCIAL SERVICES, INC.</u>		
c EIN-PN <u>93-6274329-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>7775022</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DRYDEN S&P 500 INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-123</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>18985270</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>QMA MID CAP INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-833</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>518742</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>QMA SMALL CAP INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>		
c EIN-PN <u>06-1050034-832</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>785773</u>
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)**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)**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 CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN	B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.	D Employer Identification Number (EIN) 23-1916269

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	42566	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	4437858	4525396
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	15909	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)	2277445	1962695
(9) Value of interest in common/collective trusts	1c(9)	9130734	7775022
(10) Value of interest in pooled separate accounts	1c(10)	0	20289785
(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)	89662005	56459010
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	2766364
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	105566517	93778272

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	55922	28819
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	55922	28819

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	105510595	93749453
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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)	4579219	
(B) Participants	2a(1)(B)	3441993	
(C) Others (including rollovers)	2a(1)(C)	376042	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		8397254
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	95030	
(F) Other	2b(1)(F)	59689	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		154719
(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)	1157439	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1157439
(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)		106401
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		-880427
(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)		-4478829
c Other income.....	2c		209010
d Total income. Add all income amounts in column (b) and enter total.....	2d		4665567

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	16088026	
(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)		16088026
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)	338683	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		338683
j Total expenses. Add all expense amounts in column (b) and enter total	2j		16426709

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-11761142
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

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

(1) Name: MARCUM LLP

(2) EIN: 11-1986323

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:

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.).....

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.)

	Yes	No	Amount
4a		X	
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		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l Has the plan failed to provide any benefit when due under the plan?.....	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

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

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 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 CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN		B Three-digit plan number (PN) ▶ 003
C Plan sponsor's name as shown on line 2a of Form 5500 CARDONE INDUSTRIES, INC.		D Employer Identification Number (EIN) 23-1916269
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): 22-1211670 39-6436442		
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		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2018 v. 171027		

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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):

CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

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INDEPENDENT AUDITORS' REPORT

**To the Board of Trustees
Cardone Industries, Inc.
401(k) Safe Harbor Plan**

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan, which comprise the statement of net assets available for benefits as of December 31, 2018, 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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the December 31, 2018 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 on the December 31, 2018 financial statements.

Basis for Disclaimer of Opinion on the December 31, 2018 Financial Statements

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 Bank of Montreal ("BMO") and Prudential Bank & Trust ("Prudential"), the trustees of the Plan, except for comparing the information with the related information included in the December 31, 2018 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustees as of and for the year ended December 31, 2018, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion on the December 31, 2018 Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the December 31, 2018 Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the December 31, 2018 financial statements. Accordingly, we do not express an opinion on the December 31, 2018 financial statements.

Other Matters—Report on Supplemental Schedule and Report on December 31, 2017 Financial Statements

The supplemental Schedule H, Line 4i – 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 on the December 31, 2018 Financial Statements paragraph, we do not express an opinion on the supplemental schedule referred to above.

We had previously audited the accompanying statement of net assets available for benefits of the Cardone Industries, Inc. 401(k) Safe Harbor Plan as of December 31, 2017, and in our report dated October 12, 2018, we expressed our opinion that such financial statement presents fairly, in all material respects, the net assets available for benefits of the Cardone Industries, Inc. 401(k) Safe Harbor Plan as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content in Compliance With DOL Rules and Regulations for December 31, 2018 Financial Statements

The form and content of the information included in the December 31, 2018 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marcum LLP

Philadelphia, PA
November 26, 2019

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Investments, at fair value:		
Mutual funds	\$ 56,459,010	\$ 89,662,005
Pooled separate accounts	20,289,785	--
Common/collective trust	<u>7,775,022</u>	<u>9,130,734</u>
Total Investments, at fair value:	<u>84,523,817</u>	<u>98,792,739</u>
Investments, at contract value:	<u>2,766,364</u>	<u>--</u>
Receivables:		
Employer contributions	4,525,396	4,437,858
Notes receivable from participants	1,962,695	2,277,445
Accrued investment income	--	13,518
Pending trade settlement funds	<u>--</u>	<u>2,391</u>
Total Receivables	<u>6,488,091</u>	<u>6,731,212</u>
Cash, non-interest bearing	<u>--</u>	<u>42,566</u>
Total Assets	<u>93,778,272</u>	<u>105,566,517</u>
Liabilities		
Accrued expenses	<u>28,819</u>	<u>55,922</u>
Total Liabilities	<u>28,819</u>	<u>55,922</u>
Net Assets Available for Benefits	<u>\$ 93,749,453</u>	<u>\$105,510,595</u>

The accompanying notes are an integral part of these financial statements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>
Additions to Net Assets Attributed to:	
Investment (Loss) Income:	
Dividends and interest	\$ 1,426,138
Net depreciation in the fair value of investments	<u>(5,252,855)</u>
Net Investment Loss	<u>(3,826,717)</u>
Interest income on notes receivable from participants	<u>95,030</u>
Contributions:	
Participants	3,441,993
Employer	4,579,219
Rollovers from qualified plans	<u>376,042</u>
Total Contributions	<u>8,397,254</u>
Total Additions	<u>4,665,567</u>
Deductions from Net Assets Attributed to:	
Benefits paid to participants and terminated employees	16,088,026
Administrative expenses	<u>338,683</u>
Total Deductions	<u>16,426,709</u>
Net Decrease	(11,761,142)
Net Assets Available for Benefits:	
Beginning of year	<u>105,510,595</u>
End of year	<u>\$ 93,749,453</u>

The accompanying notes are an integral part of these financial statements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering substantially all full time employees of Cardone Industries, Inc. (the "Company"). Employees become eligible to be participants in the Plan upon completing 250 hours of service within the first three months of employment.

During May 2018, all of the plan assets were transferred from the former trustee, BMO Harris Bank N.A. ("BMO"), to Prudential Retirement ("Prudential").

PLAN TRUSTEE

The Plan's investments are held by the trustee of the Plan, Prudential and BMO for the 2018 and 2017 Plan years, respectively.

EMPLOYEE CONTRIBUTIONS

The Plan provides employees with an option to enter into a salary reduction agreement with the Company, whereby a portion of the employee's compensation may be deferred by having the Company contribute such amount on the employee's behalf to the Plan. The maximum amount which an employee may elect to defer with respect to any plan year is subject to limitations as provided by the Internal Revenue Code. Employees can direct their elected deferral into multiple investment options offered by the Plan.

EMPLOYER CONTRIBUTIONS

The Company contributed a matching percentage of 10% of the participant's eligible contributions for the 2018 plan year. In addition, the Company may elect to make an additional matching contribution equal to a discretionary percentage of the participant's salary deferral.

The Company has made a non-elective contribution for all eligible non-union employees equal to 3% of compensation for the year ended December 31, 2018, as required to maintain the Plan's status as a safe harbor plan.

The Company has made an annual discretionary contribution in the amount of 2% of eligible non-union employees' compensation in lieu of contributions to the Company's terminated Employee Stock Ownership Plan ("ESOP") and a 2% discretionary contribution of eligible non-union employee's compensation for profit sharing, for the year ended December 31, 2018.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

EMPLOYER CONTRIBUTIONS (CONTINUED)

The Company has made an annual discretionary contribution in the amount of 3% of eligible union employees' compensation for the year ended December 31, 2018, in lieu of contributions to the Company's frozen Union Employees' Pension Plan and 2% of eligible union employees' compensation for the terminated Employee Stock Ownership Plan ("ESOP").

Total employer contributions for 2018 totaled approximately \$4,579,000. Included within the 2018 employer contributions was approximately \$745,000 in contributions for eligible employees in lieu of contributions not made to the ESOP due to its termination.

Included within the 2018 employer contributions were approximately \$861,000 for eligible employees in lieu of contributions not made to the Cardone Industries, Inc. Union Employees' Pension Plan due to the Plan being frozen for new participants and benefit accruals.

FORFEITURES

Forfeitures by terminated employees of amounts not vested are used to reduce employer contributions. Employees' forfeited, nonvested amounts were approximately \$46,000 and \$182,000 at December 31, 2018 and 2017, respectively. Employer contributions were reduced by approximately \$351,000 from forfeited nonvested accounts during the year ended December 31, 2018.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's deferral contribution, employer contributions, if any, and an allocation of net investment income and charged with an allocation of administrative expenses. Benefit payments, if any, are specifically charged to the participant's account. Allocations are based on the participant's earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Participants may change their investment options at any time.

Amounts allocated to persons who terminated from the Plan, but have not been distributed, totaled approximately \$18,287,000 and \$21,173,000 at December 31, 2018 and 2017, respectively.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

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 account balance. The loans are secured by the balance in the participant's account and bear interest at rates equivalent to Prime + 1%. Principal and interest is paid ratably through weekly payroll deductions over a one to five year period, except for loans for the purchase of a principal residence, which may be repaid over a reasonable period of time that may be longer than five years.

If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded. Defaulted loans totaled approximately \$260,000 for the year ended December 31, 2018 and are included in benefits paid to participants and terminated employees on the accompanying statement of changes in net assets available for benefits.

VESTING

Vesting rules in 2018 were modified effective January 1, 2018. Participants are immediately vested in their contributions plus actual earnings thereon, as well as the Company's non-elective safe harbor contribution. Vesting in the Company's discretionary matching contribution as well as the other non-elective portions of their accounts plus actual earnings thereon is based on years of continuous service according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	--%
1	25%
2	50%
3	75%
4	100%

PAYMENT OF BENEFITS

On termination of service due to death, disability, hardship distributions, or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. If the participant's vested account balance exceeds \$5,000, they may elect to delay distribution until required by law to receive minimum required distributions. In-service and hardship withdrawals are available in certain limited circumstances, as defined by the Plan.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PLAN TERMINATION

Although it has not expressed intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan Termination, participants would become 100 percent vested in their employer contributions and earnings thereon.

As previously reported in the Form 5500 for the calendar plan year ending December 31, 2017, during 2017 and 2016, employee terminations related to the restructuring of certain Company divisions resulted in a partial plan termination under ERISA and, in accordance with the provisions of ERISA, all affected participants became 100 percent vested in their account balances as of the date of the partial plan termination. The Company is taking action to reconcile all affected participant account balances.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

PAYMENTS OF BENEFITS

Benefits are recorded when paid.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by its investment advisors and custodian. See Note 3 for discussion of fair value measurements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)

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

CONCENTRATIONS OF CREDIT RISK

At December 31, 2018 and 2017, the Plan maintained 100% of its investments through Prudential and BMO, respectively.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018 or 2017. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

ADMINISTRATIVE EXPENSES

Certain recordkeeping and administrative expenses of the Plan are borne by the Company. Expenses that are paid directly by the Company are excluded from these financial statements. Third party administrator fees and custodian fees are paid by the Plan and are recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits. Various transaction charges including new loan set-up, loan maintenance, distribution, and investment fees, are charged directly to the respective participants' accounts and represent substantially all of the Plan's administrative expenses. In addition, certain investment related expenses are included in net depreciation in fair value of investments presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 Fair Value Measurements

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 Fair Value Measurements

Inputs to the valuation methodology include

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

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

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Plan does not maintain Level 3 assets.

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. Valuation at this level is based on judgement and could differ from the findings of others.

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

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements (continued)

Mutual Funds: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the NAV of units of the separate account. The NAV, as provided by the custodian, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the account less its liabilities. This practical expedient is not 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 the separate account, the investment advisor reserves the right to temporarily delay withdrawal from the account in order to ensure that securities liquidations will be carried out in an orderly business manner.

Common/collective trust: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not 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 the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation 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.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, pooled separate accounts of \$20,289,785 and common/collective trust of \$7,775,022 as of December 31, 2018 and common/collective trust of \$9,130,734 as of December 31, 2017 were measured at net asset value per share and have not been classified in the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017. During 2018 and 2017, there were no transfers of financial assets or liabilities between levels within the fair value hierarchy.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements (continued)

		Assets at Fair Value as of December 31, 2018		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non- active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds	<u>\$56,459,010</u>	<u>\$56,459,010</u>	\$ --	\$ --
Total Investments in the Fair Value Hierarchy	<u>56,459,010</u>	<u>\$56,459,010</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value ^(a)				
Pooled separate accounts	20,289,785			
Common/collective Trust	<u>7,775,022</u>			
Total	<u>28,064,807</u>			
Investments at Fair Value	<u>\$84,523,817</u>			

		Assets at Fair Value as of December 31, 2017		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non- active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds	<u>\$89,662,005</u>	<u>\$ 89,662,005</u>	\$ --	\$ --
Total Investments in Fair Value Hierarchy	<u>89,662,005</u>	<u>\$ 89,662,005</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value ^(a)	<u>9,130,734</u>			
Investments at Fair Value	<u>\$98,792,739</u>			

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

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

INVESTMENTS MEASURED USING THE NET ASSET VALUE PER SHARE PRACTICAL EXPEDIENT

The following table summarizes investments for which fair value is measured using the net asset value per share, a practical expedient as of December 31, 2018 and 2017, respectively. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

December 31, 2018	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled Separate Accounts:				
Dryden S&P 500 Index Fund	\$18,985,270	N/A	Daily	None
QMA Small Cap Index Fund	785,773	N/A	Daily	None
QMA Mid Cap Index Fund	<u>518,742</u>	N/A	Daily	None
Total Pooled Separate Accounts	20,289,785			
Common and Collective Trust:				
Morley Stable Value Fund	<u>7,775,022</u>	N/A	Daily	30 Days
Total	<u>\$ 28,064,807</u>			

December 31, 2017	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common and Collective Trust:				
Morley Stable Value Fund	\$9,130,734	N/A	Daily	30 Days

NOTE 4 - INVESTMENT CONTRACT

The Plan invests in a fully benefit-responsive investment contract with Evergreen Group Annuity ("Evergreen"), totaling \$2,766,364 as of December 31, 2018. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer and there is no minimum guarantee on the rate. The crediting rate is reviewed on an annual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - INVESTMENT CONTRACT (CONTINUED)

This contract meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported by the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

NOTE 5 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES

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, BMO Harris Bank N.A. and Prudential Bank & Trust, the trustees of the Plan, have certified the accuracy and completeness of information related to the investments and supplemental schedule, including investments at fair value, investments at contract value, and notes receivable from participants held at December 31, 2018, and the net depreciation in fair value of investments, investment income on investments and interest income on notes receivable from participants for the year ended December 31, 2018.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - TAX STATUS

The Plan obtained its latest determination letter on December 12, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of investments, are held by Prudential and BMO, the trustee of the Plan for the 2018 and 2017 Plan years, respectively. Certain administrative functions are performed by employees of the Company. No employees received compensation from the Plan.

NOTE 8 - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Fees paid by the Plan for the investment management services to BMO amounted to approximately \$86,000 and to Prudential amounted to approximately \$54,000 for the year ended December 31, 2018, and are included in administrative expenses on the accompanying Statement of Changes in Net Assets Available for Benefits.

Fees paid by the Plan for the investment management services to UBS Investment Advisors, amounted to approximately \$121,000 for the year ended December 31, 2018, and are included in administrative expenses on the accompanying Statement of Changes in Net Assets Available for Benefits.

The Plan extends loans to participants, who are considered parties-in-interest, therefore, these transactions qualify as party-in-interest transactions.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan invests in various 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 those changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10 - SUBSEQUENT EVENTS

The Plan's management has evaluated subsequent events occurring through November 26, 2019, the date the financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN

EIN 23-1916269

PLAN #003

SCHEDULE H - ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2018

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral Market Par or Maturity Value	Cost (**)	Value	
<u>Mutual Fund Investments:</u>				
Victory RS Small Cap Growth Fund Class Y	Mutual fund, 75,155 shares		\$ 4,797,165	
Vanguard Total Bond Market Index Fund	Mutual fund, 488,109 shares		5,100,741	
John Hancock Funds III- Disciplined Value Mid Cap Fund Class R6	Mutual fund, 35,265 shares		617,837	
Voya Midcap Opportunities Fund Class R6	Mutual fund, 210,171 shares		4,201,327	
Delaware Value Fund Class R6	Mutual fund, 25,664 shares		502,507	
American Growth Fund of America Class R6	Mutual fund, 283,170 shares		12,105,511	
MFS International Value Fund R6	Mutual fund, 8,974 shares		338,044	
American Funds New World Fund R6	Mutual fund, 19,038 shares		1,090,524	
Oppenheimer International Growth Fund Cl Y	Mutual fund, 40,212 shares		1,394,558	
Vanguard Total World Stock Index Fund – Is	Mutual fund, 57,606 shares		7,697,833	
American Income Fund of America Class R6	Mutual fund, 116,325 shares		2,400,947	
Vanguard Target Retirement 2060 Fund	Mutual fund, 5,350 shares		166,753	
Vanguard Target Retirement Income Fund	Mutual fund, 21,340 shares		272,090	
Vanguard Target Retirement 2020 Fund	Mutual fund, 41,947 shares		1,200,945	
Vanguard Target Retirement 2050 Fund	Mutual fund, 32,601 shares		1,060,195	
Vanguard Target Retirement 2040 Fund	Mutual fund, 65,515 shares		2,116,805	
Vanguard Target Retirement 2030 Fund	Mutual fund, 88,664 shares		2,732,623	
Natixis Loomis Sayles Core Plus Bond Fund Class Y	Mutual fund, 689,149 shares		<u>8,662,605</u>	
Total Mutual Fund Investments			<u>56,459,010</u>	
<u>Pooled Separate Account Investments:</u>				
Dryden S&P 500 Index Fund	Pooled Separate Account, 316,221 shares		18,985,270	
QMA Small Cap Index Fund	Pooled Separate Account, 69,819 shares		785,773	
QMA Mid Cap Index Fund	Pooled Separate Account, 46,336 shares		<u>518,742</u>	
Total Pooled Separate Account Investments			<u>20,289,785</u>	
<u>Fully Benefit-Responsive Investment Contract:</u>				
Guaranteed Income Fund	Mutual fund, 108,604 shares		<u>2,766,364</u>	
<u>Common/Collective Fund:</u>				
* Morley Stable Value Class 25	Common/collective fund, 298,028 shares		<u>7,775,022</u>	
* Notes Receivable from Participants	4.25% - 6.25% interest with varying maturity dates through November 2029	\$ - 0 -	<u>1,962,695</u>	
		\$ - 0 -	<u>\$89,252,876</u>	
* Party-in-Interest				
** Cost information not required for participant directed investments				

See independent auditors' report.

CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

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INDEPENDENT AUDITORS' REPORT

**To the Board of Trustees
Cardone Industries, Inc.
401(k) Safe Harbor Plan**

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan, which comprise the statement of net assets available for benefits as of December 31, 2018, 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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the December 31, 2018 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 on the December 31, 2018 financial statements.

Basis for Disclaimer of Opinion on the December 31, 2018 Financial Statements

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 Bank of Montreal ("BMO") and Prudential Bank & Trust ("Prudential"), the trustees of the Plan, except for comparing the information with the related information included in the December 31, 2018 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustees as of and for the year ended December 31, 2018, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion on the December 31, 2018 Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the December 31, 2018 Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the December 31, 2018 financial statements. Accordingly, we do not express an opinion on the December 31, 2018 financial statements.

Other Matters—Report on Supplemental Schedule and Report on December 31, 2017 Financial Statements

The supplemental Schedule H, Line 4i – 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 on the December 31, 2018 Financial Statements paragraph, we do not express an opinion on the supplemental schedule referred to above.

We had previously audited the accompanying statement of net assets available for benefits of the Cardone Industries, Inc. 401(k) Safe Harbor Plan as of December 31, 2017, and in our report dated October 12, 2018, we expressed our opinion that such financial statement presents fairly, in all material respects, the net assets available for benefits of the Cardone Industries, Inc. 401(k) Safe Harbor Plan as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content in Compliance With DOL Rules and Regulations for December 31, 2018 Financial Statements

The form and content of the information included in the December 31, 2018 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marcum LLP

Philadelphia, PA
November 26, 2019

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Investments, at fair value:		
Mutual funds	\$ 56,459,010	\$ 89,662,005
Pooled separate accounts	20,289,785	--
Common/collective trust	<u>7,775,022</u>	<u>9,130,734</u>
Total Investments, at fair value:	<u>84,523,817</u>	<u>98,792,739</u>
Investments, at contract value:	<u>2,766,364</u>	<u>--</u>
Receivables:		
Employer contributions	4,525,396	4,437,858
Notes receivable from participants	1,962,695	2,277,445
Accrued investment income	--	13,518
Pending trade settlement funds	<u>--</u>	<u>2,391</u>
Total Receivables	<u>6,488,091</u>	<u>6,731,212</u>
Cash, non-interest bearing	<u>--</u>	<u>42,566</u>
Total Assets	<u>93,778,272</u>	<u>105,566,517</u>
Liabilities		
Accrued expenses	<u>28,819</u>	<u>55,922</u>
Total Liabilities	<u>28,819</u>	<u>55,922</u>
Net Assets Available for Benefits	<u>\$ 93,749,453</u>	<u>\$105,510,595</u>

The accompanying notes are an integral part of these financial statements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>
Additions to Net Assets Attributed to:	
Investment (Loss) Income:	
Dividends and interest	\$ 1,426,138
Net depreciation in the fair value of investments	<u>(5,252,855)</u>
Net Investment Loss	<u>(3,826,717)</u>
Interest income on notes receivable from participants	<u>95,030</u>
Contributions:	
Participants	3,441,993
Employer	4,579,219
Rollovers from qualified plans	<u>376,042</u>
Total Contributions	<u>8,397,254</u>
Total Additions	<u>4,665,567</u>
Deductions from Net Assets Attributed to:	
Benefits paid to participants and terminated employees	16,088,026
Administrative expenses	<u>338,683</u>
Total Deductions	<u>16,426,709</u>
Net Decrease	(11,761,142)
Net Assets Available for Benefits:	
Beginning of year	<u>105,510,595</u>
End of year	<u>\$ 93,749,453</u>

The accompanying notes are an integral part of these financial statements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering substantially all full time employees of Cardone Industries, Inc. (the "Company"). Employees become eligible to be participants in the Plan upon completing 250 hours of service within the first three months of employment.

During May 2018, all of the plan assets were transferred from the former trustee, BMO Harris Bank N.A. ("BMO"), to Prudential Retirement ("Prudential").

PLAN TRUSTEE

The Plan's investments are held by the trustee of the Plan, Prudential and BMO for the 2018 and 2017 Plan years, respectively.

EMPLOYEE CONTRIBUTIONS

The Plan provides employees with an option to enter into a salary reduction agreement with the Company, whereby a portion of the employee's compensation may be deferred by having the Company contribute such amount on the employee's behalf to the Plan. The maximum amount which an employee may elect to defer with respect to any plan year is subject to limitations as provided by the Internal Revenue Code. Employees can direct their elected deferral into multiple investment options offered by the Plan.

EMPLOYER CONTRIBUTIONS

The Company contributed a matching percentage of 10% of the participant's eligible contributions for the 2018 plan year. In addition, the Company may elect to make an additional matching contribution equal to a discretionary percentage of the participant's salary deferral.

The Company has made a non-elective contribution for all eligible non-union employees equal to 3% of compensation for the year ended December 31, 2018, as required to maintain the Plan's status as a safe harbor plan.

The Company has made an annual discretionary contribution in the amount of 2% of eligible non-union employees' compensation in lieu of contributions to the Company's terminated Employee Stock Ownership Plan ("ESOP") and a 2% discretionary contribution of eligible non-union employee's compensation for profit sharing, for the year ended December 31, 2018.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

EMPLOYER CONTRIBUTIONS (CONTINUED)

The Company has made an annual discretionary contribution in the amount of 3% of eligible union employees' compensation for the year ended December 31, 2018, in lieu of contributions to the Company's frozen Union Employees' Pension Plan and 2% of eligible union employees' compensation for the terminated Employee Stock Ownership Plan ("ESOP").

Total employer contributions for 2018 totaled approximately \$4,579,000. Included within the 2018 employer contributions was approximately \$745,000 in contributions for eligible employees in lieu of contributions not made to the ESOP due to its termination.

Included within the 2018 employer contributions were approximately \$861,000 for eligible employees in lieu of contributions not made to the Cardone Industries, Inc. Union Employees' Pension Plan due to the Plan being frozen for new participants and benefit accruals.

FORFEITURES

Forfeitures by terminated employees of amounts not vested are used to reduce employer contributions. Employees' forfeited, nonvested amounts were approximately \$46,000 and \$182,000 at December 31, 2018 and 2017, respectively. Employer contributions were reduced by approximately \$351,000 from forfeited nonvested accounts during the year ended December 31, 2018.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's deferral contribution, employer contributions, if any, and an allocation of net investment income and charged with an allocation of administrative expenses. Benefit payments, if any, are specifically charged to the participant's account. Allocations are based on the participant's earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Participants may change their investment options at any time.

Amounts allocated to persons who terminated from the Plan, but have not been distributed, totaled approximately \$18,287,000 and \$21,173,000 at December 31, 2018 and 2017, respectively.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

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 account balance. The loans are secured by the balance in the participant's account and bear interest at rates equivalent to Prime + 1%. Principal and interest is paid ratably through weekly payroll deductions over a one to five year period, except for loans for the purchase of a principal residence, which may be repaid over a reasonable period of time that may be longer than five years.

If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded. Defaulted loans totaled approximately \$260,000 for the year ended December 31, 2018 and are included in benefits paid to participants and terminated employees on the accompanying statement of changes in net assets available for benefits.

VESTING

Vesting rules in 2018 were modified effective January 1, 2018. Participants are immediately vested in their contributions plus actual earnings thereon, as well as the Company's non-elective safe harbor contribution. Vesting in the Company's discretionary matching contribution as well as the other non-elective portions of their accounts plus actual earnings thereon is based on years of continuous service according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	--%
1	25%
2	50%
3	75%
4	100%

PAYMENT OF BENEFITS

On termination of service due to death, disability, hardship distributions, or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. If the participant's vested account balance exceeds \$5,000, they may elect to delay distribution until required by law to receive minimum required distributions. In-service and hardship withdrawals are available in certain limited circumstances, as defined by the Plan.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PLAN TERMINATION

Although it has not expressed intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan Termination, participants would become 100 percent vested in their employer contributions and earnings thereon.

As previously reported in the Form 5500 for the calendar plan year ending December 31, 2017, during 2017 and 2016, employee terminations related to the restructuring of certain Company divisions resulted in a partial plan termination under ERISA and, in accordance with the provisions of ERISA, all affected participants became 100 percent vested in their account balances as of the date of the partial plan termination. The Company is taking action to reconcile all affected participant account balances.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

PAYMENTS OF BENEFITS

Benefits are recorded when paid.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by its investment advisors and custodian. See Note 3 for discussion of fair value measurements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)

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

CONCENTRATIONS OF CREDIT RISK

At December 31, 2018 and 2017, the Plan maintained 100% of its investments through Prudential and BMO, respectively.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018 or 2017. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

ADMINISTRATIVE EXPENSES

Certain recordkeeping and administrative expenses of the Plan are borne by the Company. Expenses that are paid directly by the Company are excluded from these financial statements. Third party administrator fees and custodian fees are paid by the Plan and are recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits. Various transaction charges including new loan set-up, loan maintenance, distribution, and investment fees, are charged directly to the respective participants' accounts and represent substantially all of the Plan's administrative expenses. In addition, certain investment related expenses are included in net depreciation in fair value of investments presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 Fair Value Measurements

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 Fair Value Measurements

Inputs to the valuation methodology include

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

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

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Plan does not maintain Level 3 assets.

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. Valuation at this level is based on judgement and could differ from the findings of others.

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

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements (continued)

Mutual Funds: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the NAV of units of the separate account. The NAV, as provided by the custodian, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the account less its liabilities. This practical expedient is not 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 the separate account, the investment advisor reserves the right to temporarily delay withdrawal from the account in order to ensure that securities liquidations will be carried out in an orderly business manner.

Common/collective trust: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not 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 the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation 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.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, pooled separate accounts of \$20,289,785 and common/collective trust of \$7,775,022 as of December 31, 2018 and common/collective trust of \$9,130,734 as of December 31, 2017 were measured at net asset value per share and have not been classified in the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017. During 2018 and 2017, there were no transfers of financial assets or liabilities between levels within the fair value hierarchy.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements (continued)

		Assets at Fair Value as of December 31, 2018		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non- active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds	<u>\$56,459,010</u>	<u>\$56,459,010</u>	\$ --	\$ --
Total Investments in the Fair Value Hierarchy	<u>56,459,010</u>	<u>\$56,459,010</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value ^(a)				
Pooled separate accounts	20,289,785			
Common/collective Trust	<u>7,775,022</u>			
Total	<u>28,064,807</u>			
Investments at Fair Value	<u>\$84,523,817</u>			

		Assets at Fair Value as of December 31, 2017		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non- active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds	<u>\$89,662,005</u>	<u>\$ 89,662,005</u>	\$ --	\$ --
Total Investments in Fair Value Hierarchy	<u>89,662,005</u>	<u>\$ 89,662,005</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value ^(a)	<u>9,130,734</u>			
Investments at Fair Value	<u>\$98,792,739</u>			

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

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

INVESTMENTS MEASURED USING THE NET ASSET VALUE PER SHARE PRACTICAL EXPEDIENT

The following table summarizes investments for which fair value is measured using the net asset value per share, a practical expedient as of December 31, 2018 and 2017, respectively. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

December 31, 2018	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled Separate Accounts:				
Dryden S&P 500 Index Fund	\$18,985,270	N/A	Daily	None
QMA Small Cap Index Fund	785,773	N/A	Daily	None
QMA Mid Cap Index Fund	<u>518,742</u>	N/A	Daily	None
Total Pooled Separate Accounts	20,289,785			
Common and Collective Trust:				
Morley Stable Value Fund	<u>7,775,022</u>	N/A	Daily	30 Days
Total	<u>\$ 28,064,807</u>			

December 31, 2017	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common and Collective Trust:				
Morley Stable Value Fund	\$9,130,734	N/A	Daily	30 Days

NOTE 4 - INVESTMENT CONTRACT

The Plan invests in a fully benefit-responsive investment contract with Evergreen Group Annuity ("Evergreen"), totaling \$2,766,364 as of December 31, 2018. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer and there is no minimum guarantee on the rate. The crediting rate is reviewed on an annual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - INVESTMENT CONTRACT (CONTINUED)

This contract meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported by the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

NOTE 5 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES

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, BMO Harris Bank N.A. and Prudential Bank & Trust, the trustees of the Plan, have certified the accuracy and completeness of information related to the investments and supplemental schedule, including investments at fair value, investments at contract value, and notes receivable from participants held at December 31, 2018, and the net depreciation in fair value of investments, investment income on investments and interest income on notes receivable from participants for the year ended December 31, 2018.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - TAX STATUS

The Plan obtained its latest determination letter on December 12, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of investments, are held by Prudential and BMO, the trustee of the Plan for the 2018 and 2017 Plan years, respectively. Certain administrative functions are performed by employees of the Company. No employees received compensation from the Plan.

NOTE 8 - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Fees paid by the Plan for the investment management services to BMO amounted to approximately \$86,000 and to Prudential amounted to approximately \$54,000 for the year ended December 31, 2018, and are included in administrative expenses on the accompanying Statement of Changes in Net Assets Available for Benefits.

Fees paid by the Plan for the investment management services to UBS Investment Advisors, amounted to approximately \$121,000 for the year ended December 31, 2018, and are included in administrative expenses on the accompanying Statement of Changes in Net Assets Available for Benefits.

The Plan extends loans to participants, who are considered parties-in-interest, therefore, these transactions qualify as party-in-interest transactions.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan invests in various 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 those changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10 - SUBSEQUENT EVENTS

The Plan's management has evaluated subsequent events occurring through November 26, 2019, the date the financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN

EIN 23-1916269

PLAN #003

SCHEDULE H - ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2018

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral Market Par or Maturity Value	Cost (**)	Value	
<u>Mutual Fund Investments:</u>				
Victory RS Small Cap Growth Fund Class Y	Mutual fund, 75,155 shares		\$ 4,797,165	
Vanguard Total Bond Market Index Fund	Mutual fund, 488,109 shares		5,100,741	
John Hancock Funds III- Disciplined Value Mid Cap Fund Class R6	Mutual fund, 35,265 shares		617,837	
Voya Midcap Opportunities Fund Class R6	Mutual fund, 210,171 shares		4,201,327	
Delaware Value Fund Class R6	Mutual fund, 25,664 shares		502,507	
American Growth Fund of America Class R6	Mutual fund, 283,170 shares		12,105,511	
MFS International Value Fund R6	Mutual fund, 8,974 shares		338,044	
American Funds New World Fund R6	Mutual fund, 19,038 shares		1,090,524	
Oppenheimer International Growth Fund Cl Y	Mutual fund, 40,212 shares		1,394,558	
Vanguard Total World Stock Index Fund – Is	Mutual fund, 57,606 shares		7,697,833	
American Income Fund of America Class R6	Mutual fund, 116,325 shares		2,400,947	
Vanguard Target Retirement 2060 Fund	Mutual fund, 5,350 shares		166,753	
Vanguard Target Retirement Income Fund	Mutual fund, 21,340 shares		272,090	
Vanguard Target Retirement 2020 Fund	Mutual fund, 41,947 shares		1,200,945	
Vanguard Target Retirement 2050 Fund	Mutual fund, 32,601 shares		1,060,195	
Vanguard Target Retirement 2040 Fund	Mutual fund, 65,515 shares		2,116,805	
Vanguard Target Retirement 2030 Fund	Mutual fund, 88,664 shares		2,732,623	
Natixis Loomis Sayles Core Plus Bond Fund Class Y	Mutual fund, 689,149 shares		<u>8,662,605</u>	
Total Mutual Fund Investments			<u>56,459,010</u>	
<u>Pooled Separate Account Investments:</u>				
Dryden S&P 500 Index Fund	Pooled Separate Account, 316,221 shares		18,985,270	
QMA Small Cap Index Fund	Pooled Separate Account, 69,819 shares		785,773	
QMA Mid Cap Index Fund	Pooled Separate Account, 46,336 shares		<u>518,742</u>	
Total Pooled Separate Account Investments			<u>20,289,785</u>	
<u>Fully Benefit-Responsive Investment Contract:</u>				
Guaranteed Income Fund	Mutual fund, 108,604 shares		<u>2,766,364</u>	
<u>Common/Collective Fund:</u>				
* Morley Stable Value Class 25	Common/collective fund, 298,028 shares		<u>7,775,022</u>	
* Notes Receivable from Participants	4.25% - 6.25% interest with varying maturity dates through November 2029	\$ - 0 -	<u>1,962,695</u>	
		\$ - 0 -	<u>\$89,252,876</u>	
* Party-in-Interest				
** Cost information not required for participant directed investments				

See independent auditors' report.

CARDONE INDUSTRIES, INC.
401(k) SAFE HARBOR PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

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INDEPENDENT AUDITORS' REPORT

**To the Board of Trustees
Cardone Industries, Inc.
401(k) Safe Harbor Plan**

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Cardone Industries, Inc. 401(k) Safe Harbor Plan, which comprise the statement of net assets available for benefits as of December 31, 2018, 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

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

Auditors' Responsibility

Our responsibility is to express an opinion on the December 31, 2018 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 on the December 31, 2018 financial statements.

Basis for Disclaimer of Opinion on the December 31, 2018 Financial Statements

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 Bank of Montreal ("BMO") and Prudential Bank & Trust ("Prudential"), the trustees of the Plan, except for comparing the information with the related information included in the December 31, 2018 financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustees as of and for the year ended December 31, 2018, that the information provided to the plan administrator by the trustees is complete and accurate.

Disclaimer of Opinion on the December 31, 2018 Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the December 31, 2018 Financial Statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the December 31, 2018 financial statements. Accordingly, we do not express an opinion on the December 31, 2018 financial statements.

Other Matters—Report on Supplemental Schedule and Report on December 31, 2017 Financial Statements

The supplemental Schedule H, Line 4i – 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 on the December 31, 2018 Financial Statements paragraph, we do not express an opinion on the supplemental schedule referred to above.

We had previously audited the accompanying statement of net assets available for benefits of the Cardone Industries, Inc. 401(k) Safe Harbor Plan as of December 31, 2017, and in our report dated October 12, 2018, we expressed our opinion that such financial statement presents fairly, in all material respects, the net assets available for benefits of the Cardone Industries, Inc. 401(k) Safe Harbor Plan as of December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Report on Form and Content in Compliance With DOL Rules and Regulations for December 31, 2018 Financial Statements

The form and content of the information included in the December 31, 2018 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Marcum LLP

Philadelphia, PA
November 26, 2019

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Assets		
Investments, at fair value:		
Mutual funds	\$ 56,459,010	\$ 89,662,005
Pooled separate accounts	20,289,785	--
Common/collective trust	<u>7,775,022</u>	<u>9,130,734</u>
Total Investments, at fair value:	<u>84,523,817</u>	<u>98,792,739</u>
Investments, at contract value:	<u>2,766,364</u>	<u>--</u>
Receivables:		
Employer contributions	4,525,396	4,437,858
Notes receivable from participants	1,962,695	2,277,445
Accrued investment income	--	13,518
Pending trade settlement funds	<u>--</u>	<u>2,391</u>
Total Receivables	<u>6,488,091</u>	<u>6,731,212</u>
Cash, non-interest bearing	<u>--</u>	<u>42,566</u>
Total Assets	<u>93,778,272</u>	<u>105,566,517</u>
Liabilities		
Accrued expenses	<u>28,819</u>	<u>55,922</u>
Total Liabilities	<u>28,819</u>	<u>55,922</u>
Net Assets Available for Benefits	<u>\$ 93,749,453</u>	<u>\$105,510,595</u>

The accompanying notes are an integral part of these financial statements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>
Additions to Net Assets Attributed to:	
Investment (Loss) Income:	
Dividends and interest	\$ 1,426,138
Net depreciation in the fair value of investments	<u>(5,252,855)</u>
Net Investment Loss	<u>(3,826,717)</u>
Interest income on notes receivable from participants	<u>95,030</u>
Contributions:	
Participants	3,441,993
Employer	4,579,219
Rollovers from qualified plans	<u>376,042</u>
Total Contributions	<u>8,397,254</u>
Total Additions	<u>4,665,567</u>
Deductions from Net Assets Attributed to:	
Benefits paid to participants and terminated employees	16,088,026
Administrative expenses	<u>338,683</u>
Total Deductions	<u>16,426,709</u>
Net Decrease	(11,761,142)
Net Assets Available for Benefits:	
Beginning of year	<u>105,510,595</u>
End of year	<u>\$ 93,749,453</u>

The accompanying notes are an integral part of these financial statements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Cardone Industries, Inc. 401(k) Safe Harbor Plan (the "Plan") is provided for general information purposes only. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering substantially all full time employees of Cardone Industries, Inc. (the "Company"). Employees become eligible to be participants in the Plan upon completing 250 hours of service within the first three months of employment.

During May 2018, all of the plan assets were transferred from the former trustee, BMO Harris Bank N.A. ("BMO"), to Prudential Retirement ("Prudential").

PLAN TRUSTEE

The Plan's investments are held by the trustee of the Plan, Prudential and BMO for the 2018 and 2017 Plan years, respectively.

EMPLOYEE CONTRIBUTIONS

The Plan provides employees with an option to enter into a salary reduction agreement with the Company, whereby a portion of the employee's compensation may be deferred by having the Company contribute such amount on the employee's behalf to the Plan. The maximum amount which an employee may elect to defer with respect to any plan year is subject to limitations as provided by the Internal Revenue Code. Employees can direct their elected deferral into multiple investment options offered by the Plan.

EMPLOYER CONTRIBUTIONS

The Company contributed a matching percentage of 10% of the participant's eligible contributions for the 2018 plan year. In addition, the Company may elect to make an additional matching contribution equal to a discretionary percentage of the participant's salary deferral.

The Company has made a non-elective contribution for all eligible non-union employees equal to 3% of compensation for the year ended December 31, 2018, as required to maintain the Plan's status as a safe harbor plan.

The Company has made an annual discretionary contribution in the amount of 2% of eligible non-union employees' compensation in lieu of contributions to the Company's terminated Employee Stock Ownership Plan ("ESOP") and a 2% discretionary contribution of eligible non-union employee's compensation for profit sharing, for the year ended December 31, 2018.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

EMPLOYER CONTRIBUTIONS (CONTINUED)

The Company has made an annual discretionary contribution in the amount of 3% of eligible union employees' compensation for the year ended December 31, 2018, in lieu of contributions to the Company's frozen Union Employees' Pension Plan and 2% of eligible union employees' compensation for the terminated Employee Stock Ownership Plan ("ESOP").

Total employer contributions for 2018 totaled approximately \$4,579,000. Included within the 2018 employer contributions was approximately \$745,000 in contributions for eligible employees in lieu of contributions not made to the ESOP due to its termination.

Included within the 2018 employer contributions were approximately \$861,000 for eligible employees in lieu of contributions not made to the Cardone Industries, Inc. Union Employees' Pension Plan due to the Plan being frozen for new participants and benefit accruals.

FORFEITURES

Forfeitures by terminated employees of amounts not vested are used to reduce employer contributions. Employees' forfeited, nonvested amounts were approximately \$46,000 and \$182,000 at December 31, 2018 and 2017, respectively. Employer contributions were reduced by approximately \$351,000 from forfeited nonvested accounts during the year ended December 31, 2018.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the participant's deferral contribution, employer contributions, if any, and an allocation of net investment income and charged with an allocation of administrative expenses. Benefit payments, if any, are specifically charged to the participant's account. Allocations are based on the participant's earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account. Participants may change their investment options at any time.

Amounts allocated to persons who terminated from the Plan, but have not been distributed, totaled approximately \$18,287,000 and \$21,173,000 at December 31, 2018 and 2017, respectively.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

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 account balance. The loans are secured by the balance in the participant's account and bear interest at rates equivalent to Prime + 1%. Principal and interest is paid ratably through weekly payroll deductions over a one to five year period, except for loans for the purchase of a principal residence, which may be repaid over a reasonable period of time that may be longer than five years.

If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded. Defaulted loans totaled approximately \$260,000 for the year ended December 31, 2018 and are included in benefits paid to participants and terminated employees on the accompanying statement of changes in net assets available for benefits.

VESTING

Vesting rules in 2018 were modified effective January 1, 2018. Participants are immediately vested in their contributions plus actual earnings thereon, as well as the Company's non-elective safe harbor contribution. Vesting in the Company's discretionary matching contribution as well as the other non-elective portions of their accounts plus actual earnings thereon is based on years of continuous service according to the following schedule:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 1	--%
1	25%
2	50%
3	75%
4	100%

PAYMENT OF BENEFITS

On termination of service due to death, disability, hardship distributions, or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. If the participant's vested account balance exceeds \$5,000, they may elect to delay distribution until required by law to receive minimum required distributions. In-service and hardship withdrawals are available in certain limited circumstances, as defined by the Plan.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1 - DESCRIPTION OF THE PLAN (CONTINUED)

PLAN TERMINATION

Although it has not expressed intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan Termination, participants would become 100 percent vested in their employer contributions and earnings thereon.

As previously reported in the Form 5500 for the calendar plan year ending December 31, 2017, during 2017 and 2016, employee terminations related to the restructuring of certain Company divisions resulted in a partial plan termination under ERISA and, in accordance with the provisions of ERISA, all affected participants became 100 percent vested in their account balances as of the date of the partial plan termination. The Company is taking action to reconcile all affected participant account balances.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

USE OF ESTIMATES

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

PAYMENTS OF BENEFITS

Benefits are recorded when paid.

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by its investment advisors and custodian. See Note 3 for discussion of fair value measurements.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT VALUATION AND INCOME RECOGNITION (CONTINUED)

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

CONCENTRATIONS OF CREDIT RISK

At December 31, 2018 and 2017, the Plan maintained 100% of its investments through Prudential and BMO, respectively.

NOTES RECEIVABLE FROM PARTICIPANTS

Notes receivable from participants are measured at their unpaid principal balance plus any accrued, but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2018 or 2017. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

ADMINISTRATIVE EXPENSES

Certain recordkeeping and administrative expenses of the Plan are borne by the Company. Expenses that are paid directly by the Company are excluded from these financial statements. Third party administrator fees and custodian fees are paid by the Plan and are recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits. Various transaction charges including new loan set-up, loan maintenance, distribution, and investment fees, are charged directly to the respective participants' accounts and represent substantially all of the Plan's administrative expenses. In addition, certain investment related expenses are included in net depreciation in fair value of investments presented in the accompanying Statement of Changes in Net Assets Available for Benefits.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 Fair Value Measurements

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 Fair Value Measurements

Inputs to the valuation methodology include

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

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

Level 3 Fair Value Measurements

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Plan does not maintain Level 3 assets.

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. Valuation at this level is based on judgement and could differ from the findings of others.

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

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements (continued)

Mutual Funds: Valued at the daily closing price as reported by the fund. Funds held by the Plan are open-ended funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The funds held by the Plan are deemed to be actively traded.

Pooled separate accounts: Valued at the NAV of units of the separate account. The NAV, as provided by the custodian, is used as a practical expedient to estimating fair value. The NAV is based on the fair value of the underlying investments held by the account less its liabilities. This practical expedient is not 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 the separate account, the investment advisor reserves the right to temporarily delay withdrawal from the account in order to ensure that securities liquidations will be carried out in an orderly business manner.

Common/collective trust: Valued at the NAV of units of a bank collective trust. The NAV, as provided by the custodian, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not 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 the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation 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.

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures, pooled separate accounts of \$20,289,785 and common/collective trust of \$7,775,022 as of December 31, 2018 and common/collective trust of \$9,130,734 as of December 31, 2017 were measured at net asset value per share and have not been classified in the fair value hierarchy.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2018 and 2017. During 2018 and 2017, there were no transfers of financial assets or liabilities between levels within the fair value hierarchy.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Fair Value Measurements (continued)

		Assets at Fair Value as of December 31, 2018		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non- active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds	<u>\$56,459,010</u>	<u>\$56,459,010</u>	\$ --	\$ --
Total Investments in the Fair Value Hierarchy	<u>56,459,010</u>	<u>\$56,459,010</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value ^(a)				
Pooled separate accounts	20,289,785			
Common/collective Trust	<u>7,775,022</u>			
Total	<u>28,064,807</u>			
Investments at Fair Value	<u>\$84,523,817</u>			

		Assets at Fair Value as of December 31, 2017		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Quoted Prices for Similar Assets in Active or Non- active Markets (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Mutual funds	<u>\$89,662,005</u>	<u>\$ 89,662,005</u>	\$ --	\$ --
Total Investments in Fair Value Hierarchy	<u>89,662,005</u>	<u>\$ 89,662,005</u>	<u>\$ --</u>	<u>\$ --</u>
Investments measured at net asset value ^(a)	<u>9,130,734</u>			
Investments at Fair Value	<u>\$98,792,739</u>			

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

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

INVESTMENTS MEASURED USING THE NET ASSET VALUE PER SHARE PRACTICAL EXPEDIENT

The following table summarizes investments for which fair value is measured using the net asset value per share, a practical expedient as of December 31, 2018 and 2017, respectively. There are no participant redemption restrictions for these investments; the redemption notice period is applicable only to the Plan.

December 31, 2018	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Pooled Separate Accounts:				
Dryden S&P 500 Index Fund	\$18,985,270	N/A	Daily	None
QMA Small Cap Index Fund	785,773	N/A	Daily	None
QMA Mid Cap Index Fund	<u>518,742</u>	N/A	Daily	None
Total Pooled Separate Accounts	20,289,785			
Common and Collective Trust:				
Morley Stable Value Fund	<u>7,775,022</u>	N/A	Daily	30 Days
Total	<u>\$ 28,064,807</u>			

December 31, 2017	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common and Collective Trust:				
Morley Stable Value Fund	\$9,130,734	N/A	Daily	30 Days

NOTE 4 - INVESTMENT CONTRACT

The Plan invests in a fully benefit-responsive investment contract with Evergreen Group Annuity ("Evergreen"), totaling \$2,766,364 as of December 31, 2018. Prudential maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer and there is no minimum guarantee on the rate. The crediting rate is reviewed on an annual basis for resetting. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 4 - INVESTMENT CONTRACT (CONTINUED)

This contract meets the fully benefit-responsive investment contract criteria and, therefore, is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported by the Plan by Prudential, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

NOTE 5 - INFORMATION CERTIFIED BY THE PLAN'S TRUSTEES

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, BMO Harris Bank N.A. and Prudential Bank & Trust, the trustees of the Plan, have certified the accuracy and completeness of information related to the investments and supplemental schedule, including investments at fair value, investments at contract value, and notes receivable from participants held at December 31, 2018, and the net depreciation in fair value of investments, investment income on investments and interest income on notes receivable from participants for the year ended December 31, 2018.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 6 - TAX STATUS

The Plan obtained its latest determination letter on December 12, 2002, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 7 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of investments, are held by Prudential and BMO, the trustee of the Plan for the 2018 and 2017 Plan years, respectively. Certain administrative functions are performed by employees of the Company. No employees received compensation from the Plan.

NOTE 8 - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Fees paid by the Plan for the investment management services to BMO amounted to approximately \$86,000 and to Prudential amounted to approximately \$54,000 for the year ended December 31, 2018, and are included in administrative expenses on the accompanying Statement of Changes in Net Assets Available for Benefits.

Fees paid by the Plan for the investment management services to UBS Investment Advisors, amounted to approximately \$121,000 for the year ended December 31, 2018, and are included in administrative expenses on the accompanying Statement of Changes in Net Assets Available for Benefits.

The Plan extends loans to participants, who are considered parties-in-interest, therefore, these transactions qualify as party-in-interest transactions.

CARDONE INDUSTRIES, INC.

401(k) SAFE HARBOR PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 9 - RISKS AND UNCERTAINTIES

The Plan invests in various 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 those changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

NOTE 10 - SUBSEQUENT EVENTS

The Plan's management has evaluated subsequent events occurring through November 26, 2019, the date the financial statements were available for issuance.

CARDONE INDUSTRIES, INC. 401(K) SAFE HARBOR PLAN

EIN 23-1916269

PLAN #003

SCHEDULE H - ITEM 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2018

(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral Market Par or Maturity Value	Cost (**)	Value	
<u>Mutual Fund Investments:</u>				
Victory RS Small Cap Growth Fund Class Y	Mutual fund, 75,155 shares		\$ 4,797,165	
Vanguard Total Bond Market Index Fund	Mutual fund, 488,109 shares		5,100,741	
John Hancock Funds III- Disciplined Value Mid Cap Fund Class R6	Mutual fund, 35,265 shares		617,837	
Voya Midcap Opportunities Fund Class R6	Mutual fund, 210,171 shares		4,201,327	
Delaware Value Fund Class R6	Mutual fund, 25,664 shares		502,507	
American Growth Fund of America Class R6	Mutual fund, 283,170 shares		12,105,511	
MFS International Value Fund R6	Mutual fund, 8,974 shares		338,044	
American Funds New World Fund R6	Mutual fund, 19,038 shares		1,090,524	
Oppenheimer International Growth Fund Cl Y	Mutual fund, 40,212 shares		1,394,558	
Vanguard Total World Stock Index Fund – Is	Mutual fund, 57,606 shares		7,697,833	
American Income Fund of America Class R6	Mutual fund, 116,325 shares		2,400,947	
Vanguard Target Retirement 2060 Fund	Mutual fund, 5,350 shares		166,753	
Vanguard Target Retirement Income Fund	Mutual fund, 21,340 shares		272,090	
Vanguard Target Retirement 2020 Fund	Mutual fund, 41,947 shares		1,200,945	
Vanguard Target Retirement 2050 Fund	Mutual fund, 32,601 shares		1,060,195	
Vanguard Target Retirement 2040 Fund	Mutual fund, 65,515 shares		2,116,805	
Vanguard Target Retirement 2030 Fund	Mutual fund, 88,664 shares		2,732,623	
Natixis Loomis Sayles Core Plus Bond Fund Class Y	Mutual fund, 689,149 shares		<u>8,662,605</u>	
Total Mutual Fund Investments			<u>56,459,010</u>	
<u>Pooled Separate Account Investments:</u>				
Dryden S&P 500 Index Fund	Pooled Separate Account, 316,221 shares		18,985,270	
QMA Small Cap Index Fund	Pooled Separate Account, 69,819 shares		785,773	
QMA Mid Cap Index Fund	Pooled Separate Account, 46,336 shares		<u>518,742</u>	
Total Pooled Separate Account Investments			<u>20,289,785</u>	
<u>Fully Benefit-Responsive Investment Contract:</u>				
Guaranteed Income Fund	Mutual fund, 108,604 shares		<u>2,766,364</u>	
<u>Common/Collective Fund:</u>				
* Morley Stable Value Class 25	Common/collective fund, 298,028 shares		<u>7,775,022</u>	
* Notes Receivable from Participants	4.25% - 6.25% interest with varying maturity dates through November 2029	\$ - 0 -	<u>1,962,695</u>	
		\$ - 0 -	<u>\$89,252,876</u>	
* Party-in-Interest				
** Cost information not required for participant directed investments				

See independent auditors' report.