

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 2019 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information For calendar plan year 2019 or fiscal plan year beginning <u>01/01/2019</u> and ending <u>12/31/2019</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>PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN</u>	1b Three-digit plan number (PN) ▶	<u>004</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>PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING</u> <u>175 MONTROSE AVENUE WEST</u> <u>COPLEY, OH 44321</u>	1c Effective date of plan <u>02/05/1990</u>	2b Employer Identification Number (EIN) <u>27-0013235</u>	2c Plan Sponsor's telephone number <u>770-574-3909</u>
		2d Business code (see instructions) <u>326200</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.	<u>10/12/2020</u>	<u>VELDA CASH</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2019)
v. 190130

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	5 129
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) 93 6a(2) 98 6b 3 6c 34 6d 135 6e 0 6f 135 6g 132 6h 18
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2J 2K 2S 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 2019 Form M-1 annual report. If the plan was not required to file the 2019 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 2019 This Form is Open to Public Inspection
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING	D Employer Identification Number (EIN) 27-0013235	

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 GREAT WEST LIFE AND ANNUITY

(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
84-0467907	68322	500277-01	35	01/01/2019	12/31/2019

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

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(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	266573
5 Current value of plan's interest under this contract in separate accounts at year end	5	0

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 ▶ **GROUP ANNUITY CONTRACT**

b Balance at the end of the previous year..... **7b** 489613

c Additions: (1) Contributions deposited during the year	7c(1)	18882	
(2) Dividends and credits	7c(2)	0	
(3) Interest credited during the year	7c(3)	5085	
(4) Transferred from separate account.....	7c(4)	13959	
(5) Other (specify below)	7c(5)	37296	

▶ **LOAN REPAYMENTS, FORFEITURES**

(6) Total additions..... **7c(6)** 75222

d Total of balance and additions (add lines **7b** and **7c(6)**). **7d** 564835

e Deductions:

(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	259225	
(2) Administration charge made by carrier	7e(2)	1170	
(3) Transferred to separate account.....	7e(3)	37867	
(4) Other (specify below)	7e(4)		

(5) Total deductions..... **7e(5)** 298262

f Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 266573

Part III Welfare Benefit Contract Information

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

8 Benefit and contract type (check all applicable boxes)

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

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	0
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention.....		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	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
		2019
		This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING	D Employer Identification Number (EIN) 27-0013235	

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
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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)

GREAT-WEST LIFE & ANNUITY INSURANCE

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

(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?
64	RECORDKEEPER	18699	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

CAPFINANCIAL PARTNERS LLC

4208 SIX FORKS RD STE 1700
RALEIGH, NC 27609

(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	INVESTMENT ADVISOR	12831	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 ☐

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
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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 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 2019 This Form is Open to Public Inspection
For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019		
A Name of plan PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN	B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING	D Employer Identification Number (EIN) 27-0013235	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	2315
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other.....	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property).....	1c(6)	0	0
(7) Loans (other than to participants)	1c(7)	0	0
(8) Participant loans.....	1c(8)	220312	188536
(9) Value of interest in common/collective trusts	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities.....	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	3657119	3562464
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	489613	266573
(15) Other.....	1c(15)	0	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	0	0
(2) Employer real property	1d(2)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	4367044	4019888

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	5275	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	5275	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	4361769	4019888
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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)	134619	
(B) Participants	2a(1)(B)	216609	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	351228
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	14580
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	9496	
(F) Other	2b(1)(F)	5084	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		14580
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	153909
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	153909	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		153909
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	0
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		676564
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		1196281

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1386191	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1386191
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		1257
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	18699	
(3) Investment advisory and management fees	2i(3)	7555	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		26254
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1413702

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-217421
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		124460

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) ☐ Unmodified (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: **BOBER MARKEY FEDOROVICH**

(2) EIN: **34-1523030**

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.)		X	
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.)		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
4e	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
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?		X	
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?		X	
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.)	X		
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.)		X	
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?		X	
4k		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
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)
PREFERRED COMPOUNDING CORP. 401(K) PLAN	27-0013235	001

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 2019 This Form is Open to Public Inspection.
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For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan <u>PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>004</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PREFERRED COMPOUNDING CORP. D.B.A. PREFERRED COMPOUNDING</u>	D Employer Identification Number (EIN) <u>27-0013235</u>

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	<u>0</u>
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): <u>84-1455663</u>		
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
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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.
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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) 2019
v. 190130

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): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

- a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

- b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

February 4, 2020, December 31, 2019 and 2018

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
ANNUAL REPORT INDEX
February 4, 2020, December 31, 2019 and 2018

The following financial statements and supplementary information of the Preferred Compounding Corp. Union 401(k) Plan are included herewith:

- Statements of Net Assets Available for Benefits as of February 4, 2020, December 31, 2019 and 2018;
- Statement of Changes in Net Assets Available for Benefits for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019;
- Notes to Financial Statements.

The following supplemental schedule of the Preferred Compounding Corp. Union 401(k) Plan included in the Annual Report of the Plan on Form 5500 filed with the Department of Labor as of December 31, 2019 is included herewith:

- Schedule H, Line 4i - Schedule of Assets (Held at End of Year).

All other supplemental schedules and notes for which provision is made in the applicable rules and regulations of the Department of Labor Regulations are not required under the related instructions or are inapplicable and, therefore, have been omitted.

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5 - 11
SUPPLEMENTARY INFORMATION	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	12

INDEPENDENT AUDITORS' REPORT

To the Administrative Committee of
Preferred Compounding Corp. Union 401(k) Plan
Akron, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Preferred Compounding Corp. Union 401(k) Plan (the "Plan"), which comprise the statements of net assets available for benefits as of February 4, 2020, December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Great-West Trust Company, LLC, the Trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the Trustee held the Plan's investment assets and executed investment transactions as of February 4, 2020, December 31, 2019 and 2018, for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019. The Plan administrator has obtained certifications from the Trustee as of February 4, 2020, December 31, 2019 and 2018, for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019, that the information provided to the Plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion

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

Other Matter – Supplemental Schedule

The supplemental schedule, Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2019 is required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

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

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.



BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio

October 12, 2020

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	February 4, 2020	December 31, 2019	2018
ASSETS			
INVESTMENTS			
Investments, at fair value	\$ -	\$ 3,562,464	\$ 3,657,119
Insurance company general account, at contract value	-	266,573	489,613
Total investments	-	3,829,037	4,146,732
RECEIVABLES			
Employee contributions receivable	-	2,315	-
Notes receivable from participants	-	188,536	220,312
Total receivables	-	190,851	220,312
TOTAL ASSETS	-	4,019,888	4,367,044
LIABILITIES			
Administrative expenses payable	-	-	5,275
NET ASSETS AVAILABLE FOR BENEFITS	\$ -	\$ 4,019,888	\$ 4,361,769

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

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Period from January 1, 2020 through February 4, 2020	Year Ended December 31, 2019
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
INTEREST ON NOTES RECEIVABLE FROM PARTICIPANTS	\$ 995	\$ 9,495
DIVIDENDS AND INTEREST	400	158,994
CONTRIBUTIONS		
Employer	-	134,619
Employee	-	216,609
	<u>-</u>	<u>351,228</u>
TOTAL ADDITIONS	1,395	519,717
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	565,738	1,387,448
Administrative expenses	<u>251</u>	<u>26,254</u>
TOTAL DEDUCTIONS	565,989	1,413,702
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	<u>17,723</u>	<u>676,564</u>
NET DECREASE	(546,871)	(217,421)
TRANSFER OUT OF PLAN	<u>(3,473,017)</u>	<u>(124,460)</u>
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>4,019,888</u>	<u>4,361,769</u>
END OF YEAR	<u>\$ -</u>	<u>\$ 4,019,888</u>

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

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

NOTE 1 – DESCRIPTION OF THE PLAN

The following description of the Preferred Compounding Corp. Union 401(k) Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan originally effective February 5, 1990. The Plan has been amended throughout the years to comply with tax legislation. The Plan was amended and restated effective November 30, 2016. The Plan is for all employees who are covered by a collective bargaining agreement but excludes non-resident aliens. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan’s Administrative Committee is responsible for the oversight of the Plan. They determine the appropriateness of the Plan’s investment offerings and monitor investment performance.

Effective July 1, 2019, the Plan Sponsor was acquired by Hexpol Group. Effective January 1, 2020, participants were no longer contributing to the Plan and were making contributions to their accounts under the Hexpol Retirement Savings Plan. Effective February 4, 2020, the Plan was merged into the Hexpol Retirement Savings Plan.

Eligibility

Union employees of Preferred Compounding Corp. (the “Company”) were eligible to participate in the deferral and match components of the Plan upon completion of two months of full-time employment and turning 18 years of age.

Contributions

The Plan included a salary deferral arrangement allowed under Section 401(k) of the Internal Revenue Code (“IRC”). Eligible participants were permitted to elect to have a percentage, limited by Plan provisions, of their compensation contributed as pre-tax 401(k) or Roth contributions to the Plan. The Plan included an auto-enrollment provision whereby all newly eligible employees were automatically enrolled in the Plan unless they affirmatively elected not to participate in the Plan. Automatically enrolled participants had their deferral rate set at 3% of eligible compensation, and their contributions invested in the designated default fund until changed by the participant. The amount that was automatically withheld from the participant’s pay each payroll period increased by 1% each Plan year until the amount withheld reached 10% of participant’s compensation unless the participant entered a salary deferral arrangement. Participants who had attained age 50 before the end of the Plan year were eligible to make catch-up contributions.

The Company made a contribution to the Plan pursuant to the applicable collective bargaining agreements. For the period from January 1, 2020 through February 4, 2020 and for the year ended December 31, 2019, eligible employees covered by the collective bargaining agreement with United Steelworkers Union Local Union 2L-20 received a contribution of 3.50% of eligible earnings. For the period from January 1, 2020

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

through February 4, 2020 and for the year ended December 31, 2019, eligible employees covered by the collective bargaining agreement with the Independent Union of National Amalgamated Workers Union Local 711 received an automatic contribution of 1% and were eligible for a matching contribution of 100% of the first 1% of employee deferral and 50% of the next 5% of employee deferral. There were no Company contributions for the period from January 1, 2020 through February 4, 2020.

Participants could also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants directed the investment of contributions into various investment options offered by the Plan. Contributions were subject to certain Internal Revenue Service ("IRS") limitations.

Participant Accounts

Each participant's account was credited with the participant's contributions, the Company's matching contribution, and an allocation of Plan earnings or losses. Participant accounts were charged with an allocation of administrative expenses that were paid by the Plan. Allocations were based on participant earnings or account balances, or participant transactions, as defined. The benefit to which a participant was entitled was the benefit that could be provided by the participant's vested account.

Vesting

Participants were immediately vested in their contributions plus actual earnings thereon. Vesting in the Company matching portion of their accounts, plus actual earnings thereon, was based on years of credited service. A participant was 100% vested after three years of credited service. Notwithstanding the above, participants who were transferred from Trostel Ltd. on November 30, 2016 were 100% vested at all times in all accounts, including future contributions plus actual earnings thereon. Notwithstanding the above, a participant was fully vested upon reaching normal retirement age, death, or permanent disability.

Notes Receivable from Participants

Participants could borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The notes receivable bore interest at reasonable rates of interest, as defined under the Plan document, at the time of approval. Principal and interest was paid ratably through payroll deductions.

Notes receivable were in default when payments were not made by the end of the calendar quarter following the quarter in which the payment was due. In the event of default, the entire outstanding note balance and all accrued and unpaid interest remained as the participant's obligation. Participants had the opportunity to repay the note or to resume current status by paying all missed payments. If distribution was or became available under the Plan, the participant's vested balance would have been offset by the outstanding balance of the note and deemed a distribution.

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

Payment of Benefits

Upon termination of service due to death, disability, or retirement, a participant could elect to receive the value of the vested interest in his or her account in the form of a lump-sum distribution or installments. The Plan allowed for in-service distributions if a participant reached age 59½ and hardship distributions subject to Plan provisions. If a participant terminated employment and the participant's account balance did not exceed \$5,000, the Plan administrator would authorize the benefit payment without the participant's consent. If the balance of the terminated participant's account was between \$1,000 and \$5,000, the Plan Sponsor could authorize that the benefit payment be rolled into an individual retirement account in the participant's name.

Forfeited Accounts

Forfeited amounts could be used to reduce administrative expenses or future Company contributions. Unallocated forfeited amounts as of December 31, 2019 and 2018 totaled \$2,774 and \$1,613, respectively. There were no unallocated forfeited amounts as of February 4, 2020. The Plan used \$45,249 of forfeitures to reduce Company contributions and pay administrative expenses for the year ended December 31, 2019. There were no forfeitures used to reduce Company contributions or pay administrative expenses for the one month and four days ended February 4, 2020.

Administrative Fees

The Plan's expenses were paid either by the Plan or the Company, as provided by the Plan document. Fees related to the administration of notes receivable from participants were charged directly to the participant's account and were included in administrative expenses. Investment related expenses were included in net appreciation in fair value of investments. Certain expenses incurred in connection with the Plan were recorded as deductions in the accompanying Statement of Changes in Net Assets Available for Benefits.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

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

Use of Estimates

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

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

Valuation of Investments and Income Recognition

The Plan's investments include mutual funds, which are stated at fair value at February 4, 2020, December 31, 2019 and December 31, 2018. Gains and losses on investments that were purchased, sold or held during for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019 were included in net appreciation on the Statement of Changes in Net Assets Available for Benefits. Investment income consisted of interest and dividend income. The net appreciation in the value of investments consisted of realized gains or losses and the unrealized appreciation on those investments. Dividend income was accrued on the ex-dividend date. Purchases and sales of securities were recorded on a trade-date basis. Realized gains and losses from investments were reported based on historical cost.

The Plan's investment in an insurance company general account was stated at contract value in the amount of \$266,573, and \$489,613 at December 31, 2019 and 2018, respectively. This was liquidated in connection with the Plan merger discussed in Note 1 and accordingly had no value at February 4, 2020. The Plan entered into a fixed annuity contract with the Great-West Trust Company. Great-West maintained the Plan's investment in their general accounts and was contractually required to repay the principal and a specified interest rate that was guaranteed to the Plan. Because the fixed annuity funds were fully benefit – responsive, contract value was the relevant measurement attribute for that portion of the net assets available for benefits attributable to insurance company general account. Contract value, as reported to the Plan by Great-West, represented contributions made under the contract, plus earnings at guaranteed crediting rates, less participant withdrawals and administrative expenses. Participants could ordinarily direct the withdrawal or transfer all or a portion of their investment at contract value. The crediting interest rate was based on a formula agreed upon with the issuer.

Certain employer initiated events (e.g. premature termination of the contracts by the Plan, plant closings, layoffs, Plan termination, bankruptcy, mergers, and early retirement incentives) could limit the ability of the Plan to transact at contract value and prevent the immediate and full payout of the contract value for plan-initiated transactions. The Plan administrator believed that any events that would limit the Plan's ability to transact at contract value with participants were not probable of occurring.

Fair Value of Financial Instruments

Fair value estimates were made at a specific point in time based on relevant market information about the financial instrument. These estimates were subjective in nature and involved uncertainties and matters of significant judgment and, therefore, could not be determined with precision. Changes in assumptions could significantly affect the estimates. See Note 4.

Notes Receivable from Participants

Notes receivable from participants were measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income was recorded on the accrual basis. Related fees were recorded as administrative expenses and were expensed when they are incurred. No allowance for credit losses has been recorded as of February 4, 2020, December 31, 2019 and 2018. Delinquent notes receivable were recorded as distributions on the basis of the terms of the Plan document.

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

Payment of Benefits

Benefits were recorded when paid.

Subsequent Events

The Plan has evaluated subsequent events through October 12, 2020, the date the financial statements were available to be issued.

NOTE 3 – SUMMARY OF FINANCIAL DATA CERTIFIED BY THE TRUSTEE (UNAUDITED)

The following is a summary, which has been prepared or derived from information prepared by the Great-West Trust Company, LLC (the “Trustee”) as of February 4, 2020, December 31, 2019 and 2018 and for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019, and is included in the financial statements.

This information has been certified by the Trustee to be complete and accurate as of February 4, 2020, December 31, 2019 and 2018 and for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019 as follows:

	February 4, 2020	December 31,	
		2019	2018
Investments, at fair value	\$ -	\$ 3,562,464	\$ 3,657,119
Insurance company general account, at contract value	\$ -	\$ 266,573	\$ 489,613
Notes receivable from participants	\$ -	\$ 188,536	\$ 220,312
Interest on notes receivable from participants	\$ 995	\$ 9,495	N/A
Dividends and interest income	\$ 400	\$ 158,994	N/A
Net appreciation (depreciation) in fair value of investments	\$ 17,723	\$ 676,564	N/A

NOTE 4 – FAIR VALUE MEASUREMENTS

Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Plan used a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Observable inputs such as quoted prices in active markets;
- Level 2 – Inputs, other than the quoted prices in active markets, that were observable either directly or indirectly; and
- Level 3 – Unobservable inputs in which there was little or no market data, which required the reporting entity to develop its own assumptions.

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

The classification of fair value measurements within the hierarchy was based upon the lowest level of input that was significant to the measurement. Valuation methodology used for assets and liabilities measured at fair value was as follows:

- Mutual funds: Valued at closing price reported on the active market on which the individual securities were traded.

The method described above could produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method was 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. As of February 4, 2020, all assets had been liquidated and transferred to the Hexpol Retirement Savings Plan.

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

		December 31, 2019		
		Level 1	Level 2	Level 2
Mutual funds		\$ 3,562,464	\$ -	\$ -
Total investments at fair value		\$ 3,562,464	\$ -	\$ -

		December 31, 2018		
		Level 1	Level 2	Level 3
Mutual funds		\$ 3,657,119	\$ -	\$ -
Total investments in the hierarchy		\$ 3,657,119	\$ -	\$ -

NOTE 5 – RISK AND UNCERTAINTIES

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

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
NOTES TO FINANCIAL STATEMENTS
February 4, 2020, December 31, 2019 and 2018

NOTE 6 – PLAN TERMINATION

The Company had the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, the participants would be 100% vested in their Company contributions. The assets of the Plan were transferred to the Hexpol Retirement Savings Plan on February 4, 2020.

NOTE 7 – TAX STATUS

The Plan obtained its latest determination letter on March 31, 2014, in which the IRS stated that the Plan, as then designed, was qualified and tax-exempt under the appropriate section of the Internal Revenue Code ("IRC"). The Plan had been restated since receiving this determination letter. However, the Plan administrator was not aware of any course of action or series of events that had occurred that might adversely affect the Plan's qualified status and believed that the Plan was designed and operated in compliance with the applicable requirements of the IRC.

Under the Income Taxes Topic of the FASB ASC, the Plan administrator was required to identify potential uncertain tax positions taken, assess and quantify those positions and record reserves. As of February 4, 2020, December 31, 2019 and 2018, for the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019, the Plan administrator had identified no uncertain tax positions. The Plan was subject to routine audits by taxing jurisdictions; however, there were no audits for any tax periods in progress.

NOTE 8 – PARTY-IN-INTEREST

As of December 31, 2019 and 2018, certain Plan investments were shares of a fixed annuity that were fully-managed by the Trustee. These transactions were party-in-interest transactions. Fees paid to the Trustee for administering the recordkeeping of the Plan were included in administrative expenses during the period from January 1, 2020 through February 4, 2020 and the year ended December 31, 2019.

PREFERRED COMPOUNDING CORP. UNION 401(K) PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
EMPLOYER NO. 27-0013235
PLAN NO. 004
December 31, 2019

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment	Cost	Current Value
	INSURANCE COMPANY GENERAL ACCOUNT			
*	Guaranteed Interest Fund	Fixed Annuity Contract	**	\$ 266,573
	MUTUAL FUNDS:			
	American Funds Europacific GR R6	Mutual Funds	**	498,673
	Eagle Mid Cap Growth R6	Mutual Funds	**	135,796
	Eagle Small Cap Growth R6	Mutual Funds	**	50,764
	Goldman Sachs Small Cap Value - Instl	Mutual Funds	**	96,361
	Harbor Capital Appreciation Instl	Mutual Funds	**	295,199
	Janus Balanced N	Mutual Funds	**	1,327,671
	JHancock Disciplined Value Mid Cap R6	Mutual Funds	**	170,906
	MFS Value R4	Mutual Funds	**	323,002
	PGIM Total Return Bond R6	Mutual Funds	**	607,745
	Vanguard 500 Index Admiral	Mutual Funds	**	56,347
				<u>3,562,464</u>
		Notes receivable from participants with interest rates ranging from 4.25% to 6.50% and repayment terms of 1-10 years		
*	NOTES RECEIVABLE FROM PARTICIPANTS			<u>188,536</u>
				<u>\$ 4,017,573</u>

* Represents a party-in-interest to the Plan.

** Information not required pursuant to Form 5500 instructions for participant-directed funds.

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

GA

Preferred Compounding Corp. Union 401(k) Plan

01-JAN-19 to 31-DEC-19

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INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
1RERGX			476,584.28	498,672.75
1HSRUX			50,481.23	50,763.89
1GSSIX			101,257.13	96,360.84
1HRAUX			122,751.96	135,795.58
1JVMRX			160,779.18	170,906.45
1HACAX			257,807.51	295,199.47
1MEIJX			306,098.90	323,002.31
1VFIAX			40,838.47	56,346.55
1JABNX			1,148,233.01	1,327,670.97
1PTRQX			614,182.90	607,744.54
1GWGIF		1.450	254,612.06	263,798.66
			3,533,626.63	3,826,262.01
PARTICIPANT LOANS	VARIOUS	4.250-6.500	188,598.27	188,536.26
FORFEITURES			2,639.61	2,773.72

Attachment to Form 5500, Schedule H, Part 4, Item I
 EIN # 27-0013235

LEGEND

INVESTMENT OPTION:

1RERGX	American Funds EuroPacific Gr R6	1HSRUX	Carillon Eagle Small Cap Growth R6
1GSSIX	Goldman Sachs Small Cap Value - Instl	1HRAUX	Carillon Eagle Mid Cap Growth R6
1JVMRX	JHancock Disciplined Value Mid Cap R6	1HACAX	Harbor Capital Appreciation Instl
1MEIJX	MFS Value R4	1VFIAX	Vanguard 500 Index Admiral
1JABNX	Janus Henderson Balanced N	1PTRQX	PGIM Total Return Bond R6
1GWGIF	Guaranteed Interest Fund		

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year

CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year