Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.**

OMB Nos. 1210-0110
1210-0089

2020

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 04/01/2020 and ending 12/31/2020

A This return/report is for: [X] a single-employer plan [ ] a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
PRP LOGISTICS 401(K) PLAN

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 04/01/2020

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)
PRP LOGISTICS LLC

135 OCOEE HILLS CIRCLE NE
CLEVELAND, TN 37323

2b Employer Identification Number (EIN) 82-2115715

2c Sponsor's telephone number 423-503-4797

2d Business code (see instructions) 484110

3a Plan administrator's name and address [X] Same as Plan Sponsor.

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report.
a Sponsor's name
c Plan Name

4b EIN

4d PN

5a Total number of participants at the beginning of the plan year	**5a**	14
b Total number of participants at the end of the plan year	**5b**	302
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**5c**	227
d(1) Total number of active participants at the beginning of the plan year	**5d(1)**	14
d(2) Total number of active participants at the end of the plan year	**5d(2)**	253
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**5e**	0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.	12/17/2021	CINDY WILSON
	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

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) [X] Yes [ ] No

If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

c 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.)

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a		204987
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	0	204987
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)		
(2) Participants	8a(2)	191055	
(3) Others (including rollovers)	8a(3)	9403	
b Other income (loss)	8b	18105	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		218563
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	11352	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	2224	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		13576
i Net income (loss) (subtract line 8h from line 8c)	8i		204987
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2S 2T 3D

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

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		1000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g	X		3523
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. ☐ Yes ☐ No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 | **11a**

b **PBGC missed contribution reporting requirements.** If the plan is covered by PBGC and the amount reported on line 11a is greater than $0, 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 _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above. ☐ Yes ☒ No

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	**12b**	
c Enter the amount contributed by the employer to the plan for this plan year	**12c**	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	**12d**	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?		☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?		☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	**13a**	
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	**13c(2)** EIN(s)	**13c(3)** PN(s)

PRP logistics

135 Ocoee Hills Circle NE
Cleveland, TN 37323

Reasonable Cause letter to the IRS 11/22/2021

To whom it may concern:

PRP Logistics would like to apologize for the delay in reporting its Form 5500.

PRP Logistics would like to say, unequivocally, being late on this very important compliance task will never happen again.

PRP Logistics began in late 2017 and has grown from zero dollars and zero business to tracking at over $50 Million annually in revenue. PRP Logistics now employs over 500 employees nationally. It has been the utmost priority to concern ourselves for the well-being of our employees and to seek to offer every employee an exemplary job/career experience. In an ever-changing industry, PRP Logistics has sought the retention of our amazing employees, of which over 90% are CDL licensed drivers. For example, in the year 2020, one of the most uncertain years in American history, PRP Logistics was able to protect our employees, offer a safe work environment, offer excellent benefits of which PRP Logistics went above and beyond in their benefit offerings by paying more than the usual 50% of employee benefits, as well as offering a free $50,000.00 life insurance policy to every employee without cost to them individually. While the industry standard in trucking reached 100% turnover in 2020, PRP Logistics was able to see only a 24% turnover rate for the year. Again, this was unprecedented for the industry. As previously stated, as PRP has grown, it has become evident that investing in our employees would be the very best growth model.

It became PRP Logistics' priority to stabilize its employees and share profits with them by offering high quality benefits; this would be just the beginning of our care and plan to retain employment during a horrible pandemic. PRP Logistics partnered with Edward Jones to offer a 401K plan for all employees. Edward Jones advised a simple yet comprehensive program that completely correlated with employees' access to their pay information through their ADP Portal. With great research and effort, April 1, 202 PRP launched a very affordable as well as profitable 401K plan that our valued employees could participate in with just 14 participants.

In working as the plan administrator, it quickly became evident, with such unprecedented growth, that basic mistakes had been made during PRP's early days of record input. PRP Logistics began by doing "in house" payroll. The company saw growth and quickly moved its payroll to ADP Run, a system that would only sustain a small number of employees but was found adequate for early growth. In the fourth quarter of 2019, PRP Logistics was forced to move into another platform that would sustain hundreds of employees, due once again to heavy growth. During this transition, not all information was carried over because of making the transition during the middle of the quarter versus the beginning or end of that quarter. PRP worked with ADP to make certain all information on every employee was correctly input and carried to the new platform. However, some items lagged. PRP Logistics has been working on making corrections this year. Because much of this information required reporting from 2019, PRP Logistics has experienced a daunting task of making certain all records were corrected and

maintained to the highest level of input going forward. This is PRP Logistics' reason for sending this letter of appeal.

PRP Logistics continually aspires to reinvest in its employees. PRP Logistics continually seeks to re-invest in its employees. When a vendor allows rate increases due to inflationary cost, PRP has maintained fiscal responsibility by passing those increases on to its employees.

Based on the profile and original intent to be an employee-emphasis company, PRP Logistics would ask that all fines be waved against PRP. As per this request, PRP Logistics is prepared to file 2021 with the utmost excellence and advance with reporting that meets the compliance standards of the IRS.

Thank you for your esteemed consideration in this matter.

Sincerely

Cynthia J Hobbs

HR / Employment Benefits Executive for PRP Logistics

cwilson@prplogistics.com

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