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

2021

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

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

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

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

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

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan
PTM MANAGEMENT CORP. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/2011

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)
PTM MANAGEMENT CORP.

94-01 150 ST.
JAMAICA, NY 11435

2b Employer Identification Number (EIN) 11-3620341

2c Plan Sponsor's telephone number 718-558-0808

2d Business code (see instructions) 485990

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.	02/27/2023	BRIAN SMITH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

PTM MANAGEMENT CORP.

94-01 150 ST.
JAMAICA, NY 11435

3b Administrator's EIN
11-3620341

3c Administrator's telephone number
718-558-0808

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**	604
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	260
a(2) Total number of active participants at the end of the plan year	**6a(2)**	217
b Retired or separated participants receiving benefits	**6b**	42
c Other retired or separated participants entitled to future benefits	**6c**	328
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	587
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	7
f Total. Add lines **6d** and **6e**	**6f**	594
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	572
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	30
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 2I 2P 3I

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

9a Plan funding arrangement (check all that apply)

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

9b Plan benefit arrangement (check all that apply)

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

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

a Pension Schedules

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

b General Schedules

(1)	☒		**H** (Financial Information)
(2)	☐		**I** (Financial Information – Small Plan)
(3)	☐	0	**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 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2021

This Form is Open to Public Inspection

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan
PTM MANAGEMENT CORP. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
PTM MANAGEMENT CORP.

D Employer Identification Number (EIN)
11-3620341

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	144764	3100000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
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)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	75688	115949
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	101525	0

			(a) Beginning of Year	**(b)** End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	12003529	13818000
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	12325506	17033949
	Liabilities			
g	Benefit claims payable	1g	0	110
h	Operating payables	1h		
i	Acquisition indebtedness	1i	1791423	1632700
j	Other liabilities	1j	42388	41185
k	Total liabilities (add all amounts in lines 1g through1j)	1k	1833811	1673995
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	10491695	15359954

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)	3891749	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		3891749
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	21	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		21
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	1814471	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		1814471

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		5706241
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	796797	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		796797
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		41185
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		837982
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		4868259
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: COHNREZNICK LLP **(2)** EIN: 22-1478099

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	

			Yes	No	Amount
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		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?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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

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

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

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

2021

This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan
PTM MANAGEMENT CORP. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
PTM MANAGEMENT CORP.

D Employer Identification Number (EIN)
11-3620341

Part I Distributions

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

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

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

EIN(s): 23-3060382

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

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

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

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment)	**14a**	
b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14b**	
c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

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 _____

PTM Management Corp.
Employee Stock Ownership Plan

Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2021

CohnReznick
ADVISORY • ASSURANCE • TAX

PTM Management Corp. Employee Stock Ownership Plan

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Independent Auditor's Report

To the Plan Administrator
PTM Management Corp. Employee Stock Ownership Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of PTM Management Corp. Employee Stock Ownership Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C) ("ERISA Section 103(a)(3)(C)"). The financial statements comprise the statement of net assets (deficit) available for benefits as of December 31, 2021, and the related statement of changes in net assets (deficit) available for benefits for the year then ended, and the related notes to the financial statements ("2021 Financial Statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 Financial Statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA ("qualified institution").

Management has obtained a certification from a qualified institution as of and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 11 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the *Auditor's Responsibilities for the Audit of the 2021 Financial Statements* section:

- The amounts and disclosures in the accompanying 2021 Financial Statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

- The information in the accompanying 2021 Financial Statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 2021 Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the

relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2021 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements* section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a significant likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 Financial Statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

2021 Supplemental Schedules Required by ERISA

The supplemental Schedule of Assets (Held at End of Year) (Schedule H, Line 4i) as of December 31, 2021 and Schedule of Reportable Transactions (Schedule H, Line 4j) for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- The information in the supplemental schedules related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of the Plan. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan administrator instructed us not to perform and we did not perform any auditing procedures with respect to the information certified by a qualified institution. In our report dated November 17, 2021, we indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and (b) the form and content of the information included in the 2020 financial statements other than that derived from the certified information were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

CohnReznick LLP

New York, New York
February 21, 2023

PTM Management Corp. Employee Stock Ownership Plan

Statements of Net Assets (Deficit) Available for Benefits
December 31, 2021 and 2020

	2021			2020		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets						
Investments in PTM Management Corp. Common Stock at fair value	$ 12,728,425	$ 1,089,575	$ 13,818,000	$ -	$ -	$ -
Investments in PTM Management Corp. Class B Convertible Preferred Stock at fair value	-	-	-	11,057,030	946,499	12,003,529
Mutual fund	115,949	-	115,949	75,688	-	75,688
Employer contribution receivable	3,100,000	-	3,100,000	45,288	99,476	144,764
Accrued income	-	-	-	-	101,525	101,525
Total assets	15,944,374	1,089,575	17,033,949	11,178,006	1,147,500	12,325,506
Liabilities						
Note payable	-	1,632,700	1,632,700	-	1,791,423	1,791,423
Interest payable	-	41,185	41,185	-	42,278	42,278
Other liabilities	110	-	110	110	-	110
Total liabilities	110	1,673,885	1,673,995	110	1,833,701	1,833,811
Net assets (deficit) available for benefits	$ 15,944,264	$ (584,310)	$ 15,359,954	$ 11,177,896	$ (686,201)	$ 10,491,695

See Notes to Financial Statements.

PTM Management Corp. Employee Stock Ownership Plan

Statement of Changes in Net Assets (Deficit) Available for Benefits
Year Ended December 31, 2021

	Allocated	Unallocated	Total
Additions			
Investment income			
Employer contribution	$ 3,891,749	$ -	$ 3,891,749
Dividend income	21	-	21
Net appreciation in fair value of investments	1,671,395	143,076	1,814,471
Total additions	5,563,165	143,076	5,706,241
Deductions			
Interest expense	-	41,185	41,185
Benefits paid directly to participants	796,797	-	796,797
			-
Total deductions	796,797	41,185	837,982
Net increase	4,766,368	101,891	4,868,259
Net assets (deficit) available for benefits			
Beginning of year	11,177,896	(686,201)	10,491,695
End of year	$ 15,944,264	$ (584,310)	$ 15,359,954

See Notes to Financial Statements.

Note 1 - Plan description and basis of presentation

The following description of the PTM Management Corp. (the "Company") Employee Stock Ownership Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions. The trust department of an independent third-party bank is the Plan's trustee ("Trustee").

The Company established the Plan effective as of January 1, 2011. As of January 1, 2011, the Plan was amended and operates, in relevant part, as a leveraged employee stock ownership plan ("ESOP") and is designed to comply with Section 4975(e)(7) of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations thereunder as is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is administered by an ESOP Committee comprising one or two individuals appointed by the Company's Board.

The Plan purchased shares of the Company's Class B Convertible Preferred Stock using the proceeds of a loan from the Company (see Note 8). The stock was purchased at a price of $625.51 per share, for an aggregate purchase price of $30,650,000. In 2021, the Plan converted the Class B Convertible Preferred Stock to Common Stock. The stock is held in a trust established under the Plan.

The borrowing is to be repaid over a period of 30 years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The loan is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP.

Accordingly, the financial statements of the Plan as of December 31, 2021 and 2020 and for the year ended December 31, 2021 present separately the assets and liabilities and changes therein pertaining to:

(a) the accounts of employees with vested rights in allocated stock ("Allocated"); and

(b) stock not yet allocated to employees ("Unallocated").

General

The Plan is a defined contribution plan covering all full-time employees of the Company who have one (1) year of service consisting of 500 hours and has obtained the age of twenty-one (21) years. Participants who do not have at least 250 hours of service during such Plan year or are not employed on the last working day of a Plan year are generally not eligible for an allocation of Company contributions for such year, unless termination is due to normal retirement, disability or death.

Contributions

Each year the Company is obligated to make contributions to the Plan to satisfy the ESOP loan obligation. The Company may also contribute additional monies to the ESOP at its discretion. The Company may also declare dividends on the stock which may be used to repay its regularly scheduled payments of principal and interest on its ESOP loan or be contributed in cash to participants' accounts for the year ended December 31, 2021. Contributions are limited to the lesser

of $58,000 or 100% of the participant's compensation for the year ended December 31, 2021. Employee contributions are not permitted.

Payment of benefits
Distributions on account of death, disability or retirement will be in the form of substantially equal annual installments over a period not to exceed five years. However, each such installment shall be in the amount at least equal to the lesser of $1,000 or the remaining balance in the participants' accounts, even if this results in a complete distribution in a period less than five years.

Under the provisions of the Plan, in cases where participants who have terminated employment and have shares of Company stock in their ESOP stock account, the administrator may exchange any cash or other liquid assets held in the ESOP cash accounts of participants who are actively employed by the employers for the share of Company stock held in the inactive participant's ESOP stock account, at an exchange rate determined based on the most recent fair market value of Company stock.

Voting rights
Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated share for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries. For all other circumstances, the Trustee votes all shares of the Company stock as directed by the ESOP Committee.

Participant accounts
The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensations. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.

Vesting
If a participant's employment with the Company ends for any reason other than normal retirement, disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. Allocations are based on the following:

Years of service	Vested interest
Less than 2 years	0%
2 years but less than 3 years	20%
3 years but less than 4 years	40%
4 years but less than 5 years	60%
5 years but less than 6 years	80%
6 years or more	100%

Put option
Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations,

includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The purpose of the put option is to ensure that the participants have the ability to ultimately obtain cash. Participants may be paid for shares over a period not to exceed five years with interest at an agreed-upon rate.

Diversification
Diversification is offered to participants close to retirement so that they may have the opportunity to move part of their investment in Company common stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible Participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of the number of shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. The election to diversify is made subsequent to year-end based upon the share of employer stock in the participant's account at year-end. Since the effective date of the Plan is January 1, 2011, diversification became applicable during the Plan year ended December 31, 2020.

Participant accounts and forfeitures
Employer contributions and Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year, subject to certain limitations, as defined. Forfeitures of terminated nonvested account balances allocated to remaining participants during the Plan year ended December 31, 2021 totaled $271,128. Plan earnings on the investment in Company stock and expenses are allocated pro rata to all participants' accounts based upon the beginning balances in their cash account less any distribution from such account since the preceding allocation date. At December 31, 2021 and 2020, there are no unallocated forfeited nonvested account totals.

Note 2 - Summary of significant accounting policies

Basis of accounting
The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Investment valuation and income recognition
The shares of both Company Class B Convertible Preferred Stock and Company Common Stock are valued at estimated fair value. The fair value is determined annually by an independent appraisal company. See Note 3 for a discussion of the fair value measurements.

The fair value of share transactions during the year are based on the appraised value of shares at the latest annual appraisal. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of benefits
Benefits are recorded when paid.

Administrative expenses
As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

Subsequent events
The Plan has evaluated subsequent events through February 21, 2023, the date these financial statements were available to be issued.

Note 3 - Fair value measurements

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

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

Level 2: Inputs to the valuation methodology include:

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

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

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020.

Company Common Stock and Company Class B Convertible Preferred Stock: The fair value of the Company's stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity and fair value of Company assets

and liabilities. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The value process involves Plan management's selection of an independent appraiser under contract, with the right to cancel such contract at any time. Plan management accumulates the data for the appraiser from the financial statements of the Company. The appraiser prepares a preliminary report which Plan management, along with the Trustee, reviews in detail, discusses and approves.

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

Mutual fund: Valued at the daily closing price as reported by the fund. The mutual fund held by the Plan is an open-end mutual fund that is registered with the Securities and Exchange Commission. This fund is required to publish its daily net asset value ("NAV") and to transact at that price. The mutual fund held by the Plan is deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021 and 2020. Classification within the fair value hierarchy table is based on the lowest level of any input that is significant to the fair value measurement.

	2021			
	Level 1	Level 2	Level 3	Total
Investment in PTM Management Corp. Common Stock	$ -	$ -	$ 13,818,000	$ 13,818,000
Mutual fund	115,949	-	-	115,949
Total	$ 115,949	$ -	$ 13,818,000	$ 13,933,949

	2020			
	Level 1	Level 2	Level 3	Total
Investment in PTM Management Corp. Class B Convertible Preferred Stock	$ -	$ -	$ 12,003,529	$ 12,003,529
Mutual fund	75,688	-	-	75,688
Total	$ 75,688	$ -	$ 12,003,529	$ 12,079,217

For the years ended December 31, 2021 and 2020, there were no significant transfers between Levels 1 and 2 and no transfers in or out of Level 3.

The following tables set forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2021:

	PTM Management Corp. Class B Convertible Preferred Stock
Balance, beginning of year	$ 12,003,529
Conversion to PTM Management Corp. Common Stock	(12,003,529)
Balance, end of year	$ -

	PTM Management Corp. Common Stock
Balance, beginning of year	$ -
Conversion of PTM Management Corp. Class B Convertible Preferred Stock to PTM Management Corp. Common Stock	12,003,529
Unrealized appreciation in the fair value of PTM Management Corp. Common Stock	1,814,471
Balance, end of year	$ 13,818,000

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation in fair value of investments in the statement of changes in net assets (deficit) available for benefits.

Note 4 - Related party transactions and party-in-interest transactions

Certain Plan investments are shares of the Company's Common Stock and Class B Convertible Preferred Stock at December 31, 2021 and 2020, respectively. These transactions qualify as party-in-interest transactions. The Plan's investments in the Company's Common Stock and Class B Convertible Preferred Stock at December 31, 2021 and 2020, respectively, are presented in the following tables:

	2021		2020	
	Allocated	Unallocated	Allocated	Unallocated
Number of shares	45,136.24	3,863.76	45,136.24	3,863.76
Cost	$ 28,233,181	$ 2,416,819	$ 28,233,181	$ 2,416,819
Fair value	12,728,425	1,089,575	11,057,030	946,499

As described in Note 2, the Company pays all Plan expenses. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

Note 5 - Plan termination

The Company reserves the right to terminate the Plan at any time, subject to the Plan's provisions. Upon termination of the Plan, The Employee Benefits Administration Committee directs the Trustee to pay all liabilities and expenses of the ESOP and sell shares of financed common stock held as collateral to the extent it determines such sale to be necessary in order to repay the loan. Subsequently, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code.

Note 6 - Tax status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated September 28, 2013, that the Plan and related trust are designed in accordance with applicable sections of the Code. Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the Code and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 7 - Administration of Plan assets

The Plan's assets, which mainly consist of the Company's Common Stock and the Company's Class B Convertible Preferred Stock at December 31, 2021 and 2020 are held by TMI Trust Company, the Custodian of the Plan ("Custodian"). Company contributions are held and managed by the Trustee, which invests cash and interest received and makes distributions to participants. The Trustee also administers the payments of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Effective December 8, 2020, the assets of the Plan are maintained and the transactions therein are executed by Aegis Fiduciary Services, LLC.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses of the Plan are paid by the Company.

Note 8 - Note payable

On August 22, 2012, the Plan entered into a $30,650,000 term loan agreement ("Loan 1") with the selling shareholders for the purchase of the Company's Class B Convertible Preferred Stock. On October 15, 2012, Loan 1 was refinanced. The borrowing is collateralized by the unallocated shares of Class B Convertible Preferred Stock and Common Stock and is guaranteed by the Company. Uncollected shares have not been pledged as collateral for the loan.

Shares are released from collateral and allocated to participants as payments of principal and interest are made. The number of shares released in any year is the number of shares held as collateral, times the ratio of the current year payments, divided by the total of this year's payments, plus all future years' principal and interest payments. There were no shares released and allocated for the Plan year ended December 31, 2021.

The agreement provides for Loan 1 to be repaid over 30 years. The Loan 1 payable balances, including accrued interest, as of December 31, 2021 and 2020 were $1,673,885 and $1,833,701, respectively. Loan 1 bears interest at 2.36%.

The scheduled amortization of Loan 1 for the next five years is as follows: 2022 - $81,635; 2023 - $81,635; 2024 - $81,635; 2025 - $81,635; 2026 - $81,635 and $1,224,525 thereafter.

Note 9 - Company dividends

The Company did not pay dividends during the year ended December 31, 2021.

Note 10 - Risks and uncertainties

The Plan investments consist primarily of the Company's Common Stock and the Company's Class B Convertible Preferred Stock at December 31, 2021 and 2020, which are exposed to various risks such as interest rate, market, and credit risks associated with the investment in the Common Stock and Class B Convertible Preferred Stock and to uncertainties inherent in the estimations and assumptions process. It is at least reasonably possible that changes in the value of the Common Stock and Class B Convertible Preferred Stock will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets (deficit) available for benefits.

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred domestically in the United States and globally, including mandates from federal, state and local authorities, leading to an overall decline in economic activity. The continuation of the effects of COVID-19 could result in significant disruption of global financial markets, however, the ultimate impact of COVID-19 on the financial performance of the Plan's investments cannot be reasonably estimated at this time.

Note 11 - Certified investments

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Investments held at December 31, 2021 and 2020, and investment income for the year ended December 31, 2021, that are disclosed in the accompanying financial statements and supplementary schedules, were obtained or derived from information supplied to the Plan administrator and certified complete and accurate by the Custodian.

Note 12 - Subsequent event

On October 17, 2022, the Plan purchased an additional 49,000 shares of the Company's Common Stock at a price of $324.49 per share for an aggregate purchase price of $15,900,000. The purchase was made using $3,400,000 that was contributed to the Plan by the Company in cash, of which $1,500,000 was considered a 2021 contribution, and $12,500,000 of proceeds from a loan entered into with the selling shareholders ("Loan 2"). Additionally, on October 17, 2022, the Company made a contribution to the Plan in the amount of $1,600,000, which was considered a 2021 contribution and used by the Plan to make a prepayment on Loan 2, reducing the principal balance to $10,900,000.

On November 16, 2022, Loan 2 was refinanced resulting in the Company assuming the debt. Concurrently, the Plan entered into a loan agreement with the Company to repay the $10,900,000 to the Company ("Loan 3"). Loan 3 provides for the loan to be repaid over 25 years and bears interest at a fixed annual rate of 3.92%. Loan 3 is collateralized by the unallocated shares of common stock.

Supplementary Information

PTM Management Corp. Employee Stock Ownership Plan
E.I. #11-3620341
Plan #003

Schedule of Assets (Held at End of Year) (Schedule H, Line 4i)
December 31, 2021

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	Shares	(e) Current value
*	PTM Management Corp.	Common stock	$ 30,650,000	49,000	$ 13,818,000
	Federated Hermes Govt. Obligation	Mutual fund	115,949	115,949	115,949
	Total		$ 30,765,949		$ 13,933,949

* Party-in-interest.

See Independent Auditor's Report.

PTM Management Corp. Employee Stock Ownership Plan
E.I. #11-3620341
Plan #003

Schedule of Reportable Transactions (Schedule H, Line 4j)
Year Ended December 31, 2021

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Curent value of asset on transaction date	(i) Net gain/loss
PTM Management Corp.	Exchange of PTM Management Corp. Class B Convertible Preferred Stock to Common Stock	$ 12,003,529	$ 12,003,529	$ 30,650,000	$ 12,003,529	$ -

See Independent Auditor's Report.

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PTM Management Corp. Employee Stock Ownership Plan
E.I. #11-3620341
Plan #003

Schedule of Reportable Transactions (Schedule H, Line 4j)
Year Ended December 31, 2021

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(g) Cost of asset	(h) Curent value of asset on transaction date	(i) Net gain/loss
PTM Management Corp.	Exchange of PTM Management Corp. Class B Convertible Preferred Stock to Common Stock	$ 12,003,529	$ 12,003,529	$ 30,650,000	$ 12,003,529	$ -

See Independent Auditor's Report.

PTM Management Corp. Employee Stock Ownership Plan
E.I. #11-3620341
Plan #003

Schedule of Assets (Held at End of Year) (Schedule H, Line 4i)
December 31, 2021

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	Shares	(e) Current value
*	PTM Management Corp.	Common stock	$ 30,650,000	49,000	$ 13,818,000
	Federated Hermes Govt. Obligation	Mutual fund	115,949	115,949	115,949
	Total		$ 30,765,949		$ 13,933,949

* Party-in-interest.

See Independent Auditor's Report.