

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 2022 This Form is Open to Public Inspection
---	--	---

Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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)
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 DIRECT DISTRIBUTORS, INC. 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 07/01/1996
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) DIRECT DISTRIBUTORS, INC. 100 PARTLO ST SUITE 100 GARNER, NC 27529	2b Employer Identification Number (EIN) 56-0985207 2c Plan Sponsor's telephone number 919-772-9722 2d Business code (see instructions) 444130

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2023	ERIKA KOTEFF
	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 (2022)
v. 220413

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		5 370
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) 336
a(2) Total number of active participants at the end of the plan year		6a(2) 291
b Retired or separated participants receiving benefits		6b 4
c Other retired or separated participants entitled to future benefits.....		6c 35
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 330
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 330
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 252
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 55
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2T 3B 3D 3H		
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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 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
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan DIRECT DISTRIBUTORS, INC. 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 DIRECT DISTRIBUTORS, INC.	D Employer Identification Number (EIN) 56-0985207	

Part I	Service Provider Information (see instructions)
--------	---

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. ☐ 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
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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

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

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

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

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

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

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

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

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)

EMPOWER ANNUITY INSURANCE COMPANY O

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	34929	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

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

FIRST CITIZENS BANK AND TRUST COMPA

PO BOX 29522
RALEIGH, NC 27626

(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	30000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

MCMILLAN PATE & COMPANY LLP

615 OBERLIN RD STE 200
RALEIGH NC
RALEIGH, NC 27605

(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?
10	AUDITOR	8000	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)

EMPOWER ADVISORY GROUP, LLC

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?
28	INVESTMENT MGMT	294	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

a Name:	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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>DIRECT DISTRIBUTORS, INC. 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DIRECT DISTRIBUTORS, INC.</u>	D Employer Identification Number (EIN) <u>56-0985207</u>	

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	0
(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)	229930	245900
(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)	11823037	9167643
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(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	12052967	9413543

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h		
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	5524	1136
k Total liabilities (add all amounts in lines 1g through 1j)	1k	5524	1136

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	12047443	9412407
---	-----------	----------	---------

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)	269775	
(B) Participants	2a(1)(B)	687868	
(C) Others (including rollovers)	2a(1)(C)	18115	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		975758
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)	11061	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		11061
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	263026	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		263026
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	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)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	0	
(B) Other	2b(5)(B)	0	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		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)		-2494161
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-1244316
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1318188	
(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)		1318188
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		1998
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	70534	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		70534
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1390720
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-2635036
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) ☒ 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) ☒ 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: **MPCOMPANY LLP**

(2) EIN: **56-1945391**

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.)

	Yes	No	Amount
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?	X		700000
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?			
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.)	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.)			
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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan DIRECT DISTRIBUTORS, INC. 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 DIRECT DISTRIBUTORS, INC.		D Employer Identification Number (EIN) 56-0985207
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): 84-1455663		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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 _____

Direct Distributors, Inc. 401(k) Plan
Report on Audit of Financial Statements
for the year ended December 31, 2022

MPCompany LLP
Certified Public Accountants
4600 MARRIOTT DRIVE, SUITE 300
RALEIGH, NC 27612

C O N T E N T S

	<u>Page(s)</u>
Independent Auditors' Report	1-4
Financial Statements:	
Statements of Net Assets Available for Benefits	5
Statement of Changes in Net Assets Available for Benefits	6
Notes to Financial Statements	7-12
Supplemental Schedule:	
Schedule of Assets (Held at End of Year)	13



MPCompany LLP
Certified Public Accountants

4600 Marriott Drive, Suite 300 | Raleigh, North Carolina 27612
Tel (919) 836-9200 | Fax (919) 836-9288 | www.mpcllp.com

J. Micah Pate, III
Thomas M. Doherty
Brian T. Bennett
Alex Lehmann
Michael J. Palazzo, III
Angela W. Banask

Independent Auditors' Report

Plan Administrator, Trustees, and Participants
Direct Distributors, Inc. 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Direct Distributors, Inc. 401(k) 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) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of Direct Distributors, Inc. 401(k) Plan's 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 audits 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 certifications from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditors' Responsibilities for the Audit of the Financial Statements section:

- the amounts and disclosures in the accompanying 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 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Direct Distributors, Inc. 401(k) Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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 Direct Distributors, Inc. 401(k) Plan's ability to continue as a going concern for one year after the date that the financial statements are 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit 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 auditors' 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 substantial likelihood that, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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 Direct Distributors, Inc. 401(k) 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 Direct Distributors, Inc. 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits 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 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 Matter — Supplemental Schedules Required by ERISA

The supplemental schedule H, line 4i schedule of assets (held at end of year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is 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 schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits 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 schedule 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 schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is 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 schedule, other than the information in the supplemental schedule 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 schedule 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).

MPC company LLP

September 18, 2023

Direct Distributors, Inc. 401(K) Plan
Statements of Net Assets Available for Benefits
December 31, 2022 and 2021

<u>Assets</u>	<u>2022</u>	<u>2021</u>
Investments at fair value	\$ 9,167,643	\$ 11,823,037
Notes receivable from participants	<u>245,900</u>	<u>229,930</u>
Total assets	<u>9,413,543</u>	<u>12,052,967</u>
 <u>Liabilities</u>		
Excess contributions payable	-	4,388
Distributions payable	<u>1,136</u>	<u>1,136</u>
Total liabilities	<u>1,136</u>	<u>5,524</u>
Net assets available for benefits	\$ <u>9,412,407</u>	\$ <u>12,047,443</u>

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

Direct Distributors, Inc. 401(K) Plan
Statement of Changes in Net Assets Available for Benefits
for the year ended December 31, 2022

Additions to net assets attributed to:

Investment income:

Dividends	\$ <u>263,026</u>
-----------	-------------------

Interest income on notes receivable from participants	<u>11,061</u>
---	---------------

Contributions:

Employer	269,775
----------	---------

Participants	687,868
--------------	---------

Rollovers	<u>18,115</u>
-----------	---------------

	<u>975,758</u>
--	----------------

Total additions	<u>1,249,845</u>
-----------------	------------------

Deductions from net assets attributed to:

Net depreciation in fair value investments	2,494,161
--	-----------

Benefits paid to participants	1,318,188
-------------------------------	-----------

Deemed distributions	1,998
----------------------	-------

Administrative expenses	<u>70,534</u>
-------------------------	---------------

Total deductions	<u>3,884,881</u>
------------------	------------------

Net decrease	(2,635,036)
--------------	-------------

Net assets available for benefits at beginning of year	<u>12,047,443</u>
--	-------------------

Net assets available for benefits at end of year	\$ <u><u>9,412,407</u></u>
--	----------------------------

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

Direct Distributors, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2022

1. DESCRIPTION OF PLAN

The following description of Direct Distributors, Inc. 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

- a. General – The Plan is a defined contribution plan established on July 1, 1996. The Plan is designed to conform to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). All employees of Direct Distributors, Inc. (the "Company" and "Plan Sponsor") and its affiliates (Agri-Supply Company, Agri-Supply, Inc. of Greenville, Midsouth Distributors, Inc., Agri-South, Inc., Agri-Supply, Inc. of Lumberton, Agri-VA, Inc., Agri-Direct, Inc., Agri-Supply of Valdosta, Inc., Agri-Supply, Inc. of Statesboro, and Agri Supply of Monroe, LLC) who are 21 years of age and have completed ninety days of service are eligible to participate in the Plan. The Trustees are responsible for oversight of the Plan. Plan management determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Trustees.
- b. Contributions – Participants may contribute up to 100% of pre-tax and/or after-tax annual compensation each year, as defined by the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). The Plan document provides for a discretionary matching contribution by the Company. The Company elected to contribute 50% of the first 6% of compensation that a participant contributed to the Plan. Company profits are not required for the employer to make contributions. The Company may also make a discretionary qualified matching contribution at the option of the Company's Board of Directors. The Company did not elect to make a discretionary qualified matching contribution in 2022. Participants direct the investment of all contributions made on their behalf into various investment options offered by the Plan. Contributions are subject to annual limits established by the Internal Revenue Service.
- c. Participant Accounts – Each participant's account is credited with (1) the participant's contribution, (2) the employer discretionary matching contribution, and (3) allocation of (a) Plan earnings (b) administrative expenses that are paid by the Plan and (c) employer discretionary qualified matching contribution. Allocations are based on participant's plan compensation or participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.
- d. Vesting – Participants are vested immediately in their contributions plus actual earnings thereon. Effective January 1, 2007, vesting of the Company's contribution portion of their accounts is based on the following schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than two	0%
2	20%
3	40%
4	60%
5	80%
Six or more	100%

Participants will automatically become 100% vested upon attainment of normal retirement age (65) or retirement due to disability or death.

Direct Distributors, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2022

1. DESCRIPTION OF PLAN (Continued)

- e. Notes Receivable from Participants – Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at prime plus 1.00% as of the first of the month in which the loan is issued. Interest rate charged on the outstanding loans as of December 31, 2022 and 2021, ranged from 4.25% to 8.00% and these loans mature at varying dates from 2023 through 2027. Loans must be repaid within 5 years. Principal and interest is paid ratably through biweekly payroll deductions.
- f. Payment of Benefits – Upon termination of service due to death, disability, retirement, or any other reason, the participant or beneficiary may elect to receive either a lump sum or annuity payments equal to the vested portion of the value of the funds credited to the participant's account. In addition, during active service, a participant can take hardship distributions if certain conditions are satisfied, and a participant over the age of 59 ½ can take in-service distributions from their accounts in which they are vested. Effective January 1, 2019, participants are no longer voluntarily suspended from the Plan for six months.
- g. Forfeited Accounts – At December 31, 2022 and 2021, there were \$62,813 and \$53,461 in forfeited nonvested accounts, respectively. Forfeitures of terminated participants' nonvested accounts are used to reduce employer contributions or pay Plan expenses. In 2022, forfeitures were used to pay Plan expenses of \$9,000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are 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 certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan management determines the Plan's valuation policies utilizing information provided by the investment advisors, trustee, and recordkeeper. See Note 5 for discussion on fair value measurements.

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

Direct Distributors, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable from Participants

Notes receivable from participants are reported at their unpaid principal balances plus any accrued but unpaid interest. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 and 2021. Delinquent participant loans are reclassified as deemed distributions based upon the terms of the Plan document and loan agreement.

Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding increase in corrective distributions. The Plan distributed 2021 excess contributions prior to March 15, 2022.

Payment of Benefits

Benefits are recorded when paid.

Expenses

Certain expenses of maintaining the Plan are paid directly by the Plan and are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in net assets available for benefits. In addition, certain investment-related expenses are included in net appreciation or depreciation in fair value of investments and guaranteed investment contract interest.

3. TRUSTEE INFORMATION

The nondiscretionary trustee of the Plan's assets is Great-West Trust Company, LLC as of September 23, 2021. The trustee has the authority and power to purchase and sell securities as directed by the Plan's participants.

4. CUSTODIAN AGREEMENT

The appointed custodians of the Plan's assets is Great-West Trust Company, LLC. In addition to executing investment transactions, the custodian agreement provides for the administration of the Plan as it pertains to contributions and benefit payments upon the direction and request of the Plan administrators.

5. FAIR VALUE MEASUREMENTS

The Plan follows FASB ASC 820, *Fair Value Measurements*, which defines fair value as the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets required to be recorded at fair value, the Plan considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

Direct Distributors, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2022

5. FAIR VALUE MEASUREMENTS (Continued)

FASB ASC 820 also establishes a fair value hierarchy that requires the Plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The categorization of each investment type within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

FASB ASC 820 establishes three levels of inputs that may be used to measure fair value: Level 1: Quoted prices in active markets for identical assets or liabilities at the measurement date; Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active market for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or Level 3: Unobservable inputs that are supported by little or no market activity and that reflect the Plan's own assumptions about market participants and prices. However, in accordance with ASC 820-10, certain investments measured at fair value using the net asset value per share (or its equivalent) practical expedient are not classified in the fair value hierarchy (see Pooled Separate Accounts note below).

Investment Valuation

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, 2022 and 2021.

Mutual Funds

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022:

		Fair Value Measurement			
		Total	Level 1	Level 2	Level 3
Mutual funds	\$	<u>9,167,643</u>	<u>9,167,643</u>	<u>-</u>	<u>-</u>
Total investments in the fair value hierarchy		<u>9,167,643</u>	<u>9,167,643</u>	<u>-</u>	<u>-</u>

Mutual Funds (continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

		Fair Value Measurement			
		Total	Level 1	Level 2	Level 3
Mutual funds	\$	<u>11,823,037</u>	<u>11,823,037</u>	<u>-</u>	<u>-</u>
Total investments in the fair value hierarchy		<u>11,823,037</u>	<u>-</u>	<u>-</u>	<u>-</u>

Direct Distributors, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2022

6. INFORMATION CERTIFIED BY THE PLAN'S CUSTODIAN

The Plan administrator has elected the method of annual reporting compliance permitted by 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. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by Great-West Trust Company, LLC, a qualified institution, except for comparing such information certified by the qualified institution to information included in the Plan's financial statements and supplemental schedule.

	<u>2022</u>	<u>2021</u>
Mutual fund accounts	\$ 9,167,643	\$ 11,823,037
Notes receivable from participants	245,900	229,930
Interest on notes receivable from participants	11,061	N/A
Net investment income (loss)	(2,231,135)	N/A

7. PLAN TERMINATION

Although the Company intends to continue the Plan, it reserves the right to amend or terminate the Plan at any time subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their account balances.

8. INCOME TAX STATUS

Effective January 5, 2021, the Company adopted Great-West Trust Company's Defined Contribution Prototype Plan and Trust which received a favorable opinion letter from the Internal Revenue Service (IRS) on March 31, 2014 which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code. Effective September 23, 2021, the Company adopted Great-West Trust Company, LLC's Defined Contribution Pre-Approved Plan which received a favorable opinion letter from the IRS on June 30, 2020 which stated that the Plan is designed in accordance with applicable sections of the Internal Revenue Code. Plan's administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

Great-West Life & Annuity Insurance Company, also referred to as Empower, is the recordkeeper of the Plan; therefore, transactions between the Plan and the recordkeeper qualify as party-in-interest transactions. For the year ended December 31, 2022 Great-West Life & Annuity Insurance Company was paid \$34,929, for plan administration.

First Citizens Bank and Trust provides investment advice to the Plan Sponsor and participants, therefore, they are a party-in-interest to the Plan. For year ended December 31, 2022 the Plan paid direct compensation of \$30,000 to First Citizen's Bank and Trust.

Empower Advisory Group, LLC provides investment management services through Empower; therefore, they are a party-in-interest to the Plan. For the year ended December 31, 2022 Advised Assets Group, LLC was paid \$294 for investment management services.

Direct Distributors, Inc. 401(k) Plan
Notes to Financial Statements
December 31, 2022

9. RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS (Continued)

MPCCompany, LLP provides audit services for the Plan, therefore, they are a party-in-interest to the Plan. For the year ended December 31, 2022 MPCCompany, LLP was paid \$8,000 for audit services provided.

10. RISKS AND UNCERTAINTIES

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

11. SUBSEQUENT EVENTS

For the year-ended December 31, 2022, the Plan Sponsor evaluated subsequent events for potential recognition and disclosure through September 18, 2023, the date of financial statement issuance.

Direct Distributors, Inc. 401(K) Plan
Schedule H, line 4i - Schedule of Assets (Held at End of Year)
December 31, 2022
Employer Identification Number: 56-0985207, Plan Number: 001

(a)	(b)	(c)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par, or maturity value	Current Value
	Vanguard	Vanguard Treasury Money Market Inv	\$ 1,109,716
	BlackRock	BlackRock Lifepath Index 2030	1,098,604
	BlackRock	BlackRock Lifepath Index 2025	1,072,544
	T. Rowe Price	T. Rowe Price Growth Stock Fund	902,523
	BlackRock	BlackRock Lifepath Index 2040	601,799
	Vanguard	Vanguard Equity Income Fund	496,015
	Baird Funds	Baird Aggregate Bond Inst	442,750
	BlackRock	BlackRock Lifepath Index 2035	393,168
	BlackRock	BlackRock Lifepath Index Retirement	269,769
	WCM	WCM Focused International Growth Instl	244,837
	BlackRock	BlackRock Lifepath Index 2050	240,583
	Hood River	Hood River Small-Cap Value II	231,512
	BlackRock	BlackRock Lifepath Index 2045	217,603
	BlackRock	BlackRock Lifepath Index 2055	208,194
	Vanguard	Vanguard Total Bond Mareket Index Admiral	199,412
	Vanguard	Vanguard 500 Index Admiral	194,928
	American Funds	American Funds New Perspective	142,159
	John Hancock	JHancock Disciplined Value Mid Cap	134,274
	BlackRock	BlackRock Lifepath Index 2060	114,553
	BNY Mellon	BNY Mellon Small/Mid Cap Growth	109,966
	Cohen & Steers	Cohen & Steers Institutional Realty Shares	105,652
	JPMorgan	JPMorgan U.S. Small Company	94,580
	MFS	MFS Value	93,330
	Franklin Templeton	Brandywineglobal - Global Opps Bond	72,675
	Delaware Funds	Delaware Emerging Markets	72,355
	Vanguard	Vanguard Mid Cap Index Fund Admiral	62,161
	Vanguard	Vanguard Small Cap Index Adm	57,442
	Vanguard	Vanguard Total Intl Stock Index Admiral	47,113
	Causeway	Causeway International Value Instl	35,790
	Pricipal	Principal Smallcap Value II	32,185
	Frost Funds	Frost Low Duration Bond Inst	29,099
	Vanguard	Vanguard FTSE Social Index Fund	17,712
	Fidelity	Fidelity Advisor Intl Small Cap	12,582
	BlackRock	BlackRock Lifepath Index 2065	10,058
	* Participant loans	Interest rates from 4.25% to 8.00%, maturity from 2023-2027	245,900
			<u>\$ 9,413,543</u>

* Party-in-interest to the Plan.

Column (d), cost of investments, is not applicable as these are participant-directed accounts.

510608-01
GA

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Direct Distributors, Inc. 401(k) Plan
01-JAN-22 to 31-DEC-22

Page 1 of 2

25-JAN-23 02:25:55

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
ILIRKX			312,623.66	269,769.34
ILIBKX			1,225,004.54	1,072,544.21
ILINKX			1,264,434.72	1,098,604.05
ILJJKX			442,009.14	393,167.75
ILIKKX			680,443.81	601,798.98
LIHKX			239,810.36	217,603.21
ILIPKX			261,868.67	240,583.15
ILIVKX			227,325.91	208,193.92
ILIZKX			122,212.85	114,552.51
LIWKX			11,015.63	10,057.95
IRNPGX			180,874.95	142,158.82
ICIVIX			37,600.85	35,790.48
IDEMZX			107,965.47	72,355.00
IFIQIX			14,559.94	12,582.26
IVTIAX			51,904.91	47,113.14
IWCMIX			307,393.76	244,837.10
ICSRSX			114,584.80	105,651.69
IHRPIX			323,773.35	231,511.96
IJUSMX			126,126.01	94,580.46
IPSMVX			36,699.62	32,185.29
IVSMAX			62,833.17	57,442.21
ISDSCX			179,930.29	109,965.73
IJVMRX			137,454.59	134,273.89
IVIMAX			66,164.76	62,160.84
IMEIKX			91,043.46	93,329.93
IPRUFIX			1,372,916.84	902,523.28
IVFIAX			200,117.36	194,927.79
IVEIRX			486,368.50	496,015.02
IVFTAX			18,957.20	17,712.22
IBAGIX			529,669.50	442,750.16
IFILDIX			31,825.85	29,098.82
IGOBSDX			95,304.17	72,674.73
IVBTLX			237,139.37	199,412.05
IVUSXX			1,044,733.38	1,044,733.38
			10,642,691.39	9,102,661.32
PARTICIPANT LOANS	VARIOUS	4.250-8.000	245,890.51	245,900.16
FORFEITURES			64,981.75	64,981.75

510608-01
GA

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

Page 2 of 2

Direct Distributors, Inc. 401(k) Plan
01-JAN-22 to 31-DEC-22

25-JAN-23 02:25:55

INVESTMENT OPTION	MATURITY DATE	INTEREST RATE	COST OF ASSETS	CURRENT VALUE
-------------------	---------------	---------------	----------------	---------------

LEGEND

INVESTMENT OPTION:

1LIRKX BlackRock LifePath Index Retirement K
1LINKX BlackRock LifePath Index 2030 K
1LIKXX BlackRock LifePath Index 2040 K
1LIPKX BlackRock LifePath Index 2050 K
1LIZXX BlackRock LifePath Index 2060 K
1RNPGX American Funds New Perspective R6
1DEMZX Delaware Emerging Markets R6
1VTIAX Vanguard Total Intl Stock Index Admiral
1CSRSX Cohen & Steers Realty Shares L
1JUSMX JPMorgan U.S. Small Company R6
1VSMAX Vanguard Small Cap Index Adm
1JVMRX JHancock Disciplined Value Mid Cap R6
1MEIKX MFS Value R6
1VFIAX Vanguard 500 Index Admiral
1VFTAX Vanguard FTSE Social Index Admiral
1FILDY Frost Low Duration Bond Inst
1VBTLX Vanguard Total Bond Market Index Admiral

1LIBKX BlackRock LifePath Index 2025 K
1LIJXX BlackRock LifePath Index 2035 K
1LIHXX BlackRock LifePath Index 2045 K
1LIVKX BlackRock LifePath Index 2055 K
1LIWXX BlackRock LifePath Index 2065 K
1CIVIX Causeway International Value Intl
1FIQIX Fidelity Advisor Intl Small Cap Z
1WCMIX WCM Focused International Growth Intl
1HRSIX Hood River Small-Cap Growth Retirement
1PSMVX Principal SmallCap Value II R6
1SDSCX BNY Mellon Small/Mid Cap Growth I
1VIMAX Vanguard Mid Cap Index Fund - Admiral
1PRUFY T. Rowe Price Growth Stock I
1VEIRX Vanguard Equity-Income Adm
1BAGIX Baird Aggregate Bond Inst
1GOBSX BrandywineGLOBAL - Global Opps Bond IS
1VUSXX Vanguard Treasury Money Market Inv

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