

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 09/30/2024

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE, the first return/report, the final return/report, an amended return/report, a short plan year return/report.
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report.
C If the plan is a collectively-bargained plan, check here.
D Check box if filing under: Form 5558, automatic extension, special extension, the DFVC program.
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: PALCO RETIREMENT PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 04/01/1986
2a Plan sponsor's name (employer, if for a single-employer plan): HUMBOLDT REDWOOD COMPANY, LLC
2b Employer Identification Number (EIN): 26-2635546
2c Plan Sponsor's telephone number: 707-764-4472
2d Business code (see instructions): 113110

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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

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

Form 5500 (2024) v. 240311

3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	1249
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6a(1)	18
	6a(2)	0
	6b	0
	6c	0
	6d	0
	6e	0
	6f	0
	6g(1)	
6g(2)		
6h		
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:
1A 1I 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)	9b Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input checked="" type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> 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	b General Schedules
(1) <input checked="" type="checkbox"/> R (Retirement Plan Information)	(1) <input checked="" type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information – Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) – Number Attached <u>0</u>
(4) <input type="checkbox"/> DCG (Individual Plan Information) – Number Attached _____	(4) <input checked="" type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> 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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **09/30/2024**

A Name of plan PALCO RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HUMBOLDT REDWOOD COMPANY, LLC	D Employer Identification Number (EIN) 26-2635546	

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

WILMINGTON TRUST

51-0055023

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

FIDELITY INVEST INST

04-2647786

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

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

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

BLACKROCK, INC

32-0174431

(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 60	INVESTMENT MGMT	62866	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

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

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 09/30/2024	
A Name of plan PALCO RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 HUMBOLDT REDWOOD COMPANY, LLC	D Employer Identification Number (EIN) 26-2635546

Part I	Asset and Liability Statement
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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.

	(a) Beginning of Year	(b) End of Year
Assets		
a Total noninterest-bearing cash	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions	1b(1)	
(2) Participant contributions	1b(2)	
(3) Other	1b(3)	0
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0
(2) U.S. Government securities	1c(2)	0
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred	1c(3)(A)	0
(B) All other	1c(3)(B)	0
(4) Corporate stocks (other than employer securities):		
(A) Preferred	1c(4)(A)	
(B) Common	1c(4)(B)	
(5) Partnership/joint venture interests	1c(5)	0
(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)	0
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)	
(15) Other	1c(15)	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	74978652	0
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	74978652	0

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)	1155125	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)	3478795	4633920
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	211179	
(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)		211179
(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)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(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)		-1898817
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		2946282

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1302398	
(2) To insurance carriers for the provision of benefits	2e(2)	73583364	
(3) Other	2e(3)	2973818	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		77859580
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Recordkeeping fees	2i(3)	2488	
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	62866	
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		65354
j Total expenses. Add all expense amounts in column (b) and enter total	2j		77924934

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-74978652
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: **MOSS ADAMS LLP**

(2) EIN: **91-0189318**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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.)		X	
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.)		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.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		500000
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	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
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	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
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.			

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 **2973818**.

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 533582.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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.	<small>OMB No. 1210-0110</small> 2024 This Form is Open to Public Inspection.
--	---	---

For calendar plan year 2024 or fiscal plan year beginning **01/01/2024** and ending **09/30/2024**

A Name of plan PALCO RETIREMENT PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HUMBOLDT REDWOOD COMPANY, LLC	D Employer Identification Number (EIN) 26-2635546	

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): 16-1486454

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		1249
----------	--	-------------

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 (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: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> 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. <input type="checkbox"/> 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) and (b):

a Enter the percentage of plan assets held as:
 Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____%
 High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:
 0-5 years 5-10 years 10-15 years 15 years or more

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: _____

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 Design-based safe harbor method
 "Prior year" ADP test
 "Current year" ADP test
 N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.



Report of Independent Auditors and
Financial Statements with
Supplemental Schedule

PALCO Retirement Plan

September 30, 2024 and December 31, 2023

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Report of Independent Auditors

The Plan Administrator
PALCO Retirement Plan

Report on the Audit of the Financial Statements

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

We have performed audits of the financial statements of PALCO Retirement 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 statement of net assets available for benefits in liquidation as of September 30, 2024 and December 31, 2023, and the related statements of changes in net assets available for benefits in liquidation for the period from January 1, 2024 through September 30, 2024 (the period ended September 30, 2024), and the year ended December 31, 2023, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the PALCO Retirement 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 qualified institutions as of September 30, 2024 and December 31, 2023, and for the period ended September 30, 2024 and the year ended December 31, 2023, stating that the certified investment information, as described in Note 7 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 Auditor's 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 (GAAP).
- the information in the accompanying financial statements related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PALCO Retirement 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 GAAP, 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 PALCO Retirement Plan's ability to continue as a going concern within 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 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 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 substantial 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 PALCO Retirement 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 PALCO Retirement 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 certifications, 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 GAAP.

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 GAAP.

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.

Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting

As further discussed in Note 1 to the financial statements, the Board of Managers of Humboldt Redwood Company, LLC, the Plan's sponsor, adopted a resolution to terminate PALCO Retirement Plan effective July 31, 2023. In accordance with accounting principles generally accepted in the United States of America, PALCO Retirement Plan has changed its basis of accounting from the ongoing basis of accounting used in presenting the financial statements to the liquidation basis of accounting used in presenting the financial statements. Our opinion is not affected with respect to this matter.

Other Matter

Supplemental Schedule Required by ERISA

The supplemental Schedule H, Line 4(j) – Schedule of Reportable Transactions for the period ended September 30, 2024, 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 the 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 Disclosures under ERISA.
- the information in the supplemental schedule related to assets held by and certified to by qualified institutions agree to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Moss Adams LLP

Portland, Oregon
January 6, 2025

Financial Statements

PALCO Retirement Plan
Statements of Net Assets Available for Benefits in Liquidation
September 30, 2024 and December 31, 2023

	<u>September 30, 2024</u>	<u>December 31, 2023</u>
ASSETS		
Investments, at fair value		
Registered investment companies	\$ -	\$ 4,784,744
Limited partnerships	-	4,551,700
US government securities	-	36,538,371
Corporate and foreign debt instruments	-	27,659,818
Municipal obligations	-	231,548
	<hr/>	<hr/>
Total investments	-	73,766,181
Receivables		
Employer's contribution expected to be used to settle benefits in liquidation	-	1,155,125
Accrued dividends	-	1,206,459
	<hr/>	<hr/>
Total receivables	-	2,361,584
Cash, noninterest-bearing	-	6,013
	<hr/>	<hr/>
Total assets	-	76,133,778
LIABILITIES		
Accrued loss on investments expected to be incurred in liquidation	-	1,752,529
Accrued expenses expected to be incurred in liquidation	-	65,355
	<hr/>	<hr/>
Total liabilities	-	1,817,884
NET ASSETS AVAILABLE FOR BENEFITS	\$ -	\$ 74,315,894
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes.

PALCO Retirement Plan
Statements of Changes in Net Assets Available for Benefits in Liquidation
Period Ended September 30, 2024 and Year Ended December 31, 2023

	<u>Period Ended</u> <u>September 30, 2024</u>	<u>Year Ended</u> <u>December 31, 2023</u>
INVESTMENT INCOME		
Net appreciation in fair value of investments	\$ -	\$ 10,017,527
Dividends	-	387,876
Other income	<u>64,892</u>	<u>39,951</u>
Net investment income	<u>64,892</u>	<u>10,445,354</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits paid directly to participants	1,302,398	13,923,647
Purchase of annuity contracts	69,560,660	-
Other withdrawals and exchanges out	3,517,728	-
Administrative expenses	<u>-</u>	<u>124,115</u>
Total deductions	<u>74,380,786</u>	<u>14,047,762</u>
CHANGE IN NET ASSETS	(74,315,894)	(3,602,408)
ADJUSTMENT TO LIQUIDATION BASIS	-	(662,759)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>74,315,894</u>	<u>78,581,061</u>
End of year	<u><u>\$ -</u></u>	<u><u>\$ 74,315,894</u></u>

See accompanying notes.

PALCO Retirement Plan

Notes to Financial Statements

Note 1 – Description of Plan

The following brief description of the PALCO Retirement Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General – The Pacific Lumber Company adopted the Plan to provide retirement benefits to eligible employees of The Pacific Lumber Company (PALCO) and its participating subsidiary, Scotia Pacific Company LLC (Scopac) (collectively, the Company). The Plan is a defined benefit pension plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is funded through contributions by the Company and is noncontributory for employees. The Company is the administrator of the Plan and is responsible for operating the Plan in accordance with the plan document, trust agreement, and other documents, laws, and regulations related to the Plan. Certain administrative functions are performed by officers or employees of the Company or its affiliates. No such officer or employee receives compensation from the Plan.

Effective December 31, 2005, the Plan was amended to freeze future benefit accruals. Accordingly, since January 1, 2006, no new benefits have been accrued and no new employees have become eligible to participate. All benefits previously earned under the Plan were not impacted by the plan freeze.

On January 18, 2007, the Company filed a voluntary petition in the United States Bankruptcy Court for reorganization under Chapter 11 of the Bankruptcy Code. Certain assets of PALCO were transferred to a new company, Humboldt Redwood Company, LLC (HRC), on July 30, 2008. Effective with the transfer, HRC assumed ongoing sponsorship and administrator responsibility for the Plan.

On April 21, 2023, the Company's Board of Managers adopted a resolution to terminate the Plan effective July 31, 2023. See Note 5 for additional information regarding the Plan termination.

The Plan's primary trustee transitioned from Wilmington Trust to Fidelity Management Trust Company, effective March 10, 2023. Substantially all of the Plan's assets were transferred as of that date.

Payment of benefits

Pension benefits and vesting – The Plan is a career average pay plan. To be eligible for retirement benefits, participants generally must have reached the normal retirement age and plan service requirements, as defined by the Plan. Retirement benefits may begin as early as age 55, contingent upon completing at least 10 years of Company service, with an actuarial reduction in benefits. Pension benefits are based upon the participant's base pay rate in effect as of January 1 of the Plan year (until the Plan was frozen on December 31, 2005), age, and years of service. Monthly benefits are equal to 1.5% of the first \$500 and 2% of amounts in excess of \$500 of regular monthly earnings for each month of credited service.

PALCO Retirement Plan Notes to Financial Statements

When eligible, participants may elect to receive their pension benefits in various forms of annuities, as specified in the plan document. The normal form of benefit is a 50% joint and survivor annuity for married participants and a single life annuity for unmarried participants. Participants who terminate before age 65 and prior to achieving five years of vested service normally forfeit the benefits accrued under the terms of the Plan. To be fully vested at the early retirement age of 55, participants must have completed 10 years of service.

Pre-retirement death and disability benefits – If a participant dies with at least five years of plan service, a pension benefit will be paid to the spouse or a named beneficiary.

The Plan provides for in-service death benefits in the form of a 100% joint and survivor death benefit to all vested participants.

Note 2 – Summary of Significant Accounting Policies

Liquidation basis of accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As discussed in Note 5 to the financial statements, the Company terminated the Plan effective July 31, 2023. As a result, the Plan changed its basis of accounting for the year subsequent to April 21, 2023, from the going concern basis to the liquidation basis.

Under the liquidation basis of accounting, assets are measured to reflect the estimated amount of cash expected to be collected in settling or disposing of the assets during the liquidation process and liabilities are measured using the accrual basis of accounting and would include any expected costs of the disposal of assets and other costs expected to be incurred during the liquidation process.

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

Investment valuation – The investments are stated at fair value. The Plan’s trustee, Fidelity Management Trust Company certifies the fair market value of all investments. If available, quoted market prices are used to value investments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability (the “exit price”) in an orderly transaction between market participants at the measurement date.

Income recognition – Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. The net appreciation or net depreciation in fair value of investments consists of both the realized gains or losses and unrealized appreciation and depreciation of those investments.

Payment of benefits – Benefit payments to participants are recorded upon distribution.

PALCO Retirement Plan

Notes to Financial Statements

Administrative expenses – The Plan's expenses are paid by the Plan or the Company, as specified in the plan document. Expenses that are paid by the Company are excluded from these financial statements. Certain 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 deducted from investment earnings, as disclosed in the investment prospectus, and thus are not separately disclosed in the accompanying financial statements.

Subsequent events – Subsequent events are events or transactions that occur after the statement of net assets available for benefits date, but before the financial statements were available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits, but arose after the statement of net assets available for benefits date and before the financial statements were available to be issued.

The Plan has evaluated subsequent events through January 6, 2025, which is the date the financial statements were available to be issued.

Note 3 – Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died. Benefits for a retired or terminated participant or their beneficiaries are based on a participant's compensation during their last 10 years of credited service before the Plan was frozen. The accumulated plan benefits for an active participant are based on a percentage of their annual compensation for each year of service up until the Plan was frozen. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service, rendered to the valuation date.

In lieu of obtaining an actuarial valuation as of January 1, 2024, the present value of accumulated plan benefits was estimated by management based on the total premium cost of annuity contracts purchased by the Plan, which were based on United of Omaha Life Insurance Company's actuarial assumptions and benefits expected to be paid directly to participants prior to Plan closure.

PALCO Retirement Plan
Notes to Financial Statements

	<u>December 31, 2023</u>
Present value of accumulated plan benefits	
Vested benefits	
Participants currently receiving payments	\$ 56,049,000
Participants entitled to deferred benefits	<u>18,267,000</u>
	74,316,000
Nonvested benefits	<u>-</u>
Total present value of accumulated plan benefits	<u><u>\$ 74,316,000</u></u>

The change in the present value of accumulated plan benefits for the plan year ending December 31, 2023 was as follows:

Actuarial present value of accumulated plan benefits at beginning of year (ongoing basis)	\$ 67,850,000
Increase (decrease) during the year attributable to	
Estimated payments for benefits and group annuity contracts	6,531,000
Other	<u>(65,000)</u>
Net increase	<u>6,466,000</u>
Present value of accumulated plan benefits at end of year (in liquidation)	<u><u>\$ 74,316,000</u></u>

Note 4 – Funding Policy

Employer contributions – The Company’s funding policy is to make annual contributions to the Plan that equal or exceed the minimum funding requirements of ERISA. Employer contribution receivables recorded as a result of the liquidation basis of accounting were \$1,155,125 as of December 31, 2023. See Note 5. There were no contributions required in 2024 or 2023.

Note 5 – Plan Termination

On April 21, 2023, the Board of Managers of Humboldt Redwood Company, LLC, adopted a resolution to terminate the Plan effective July 31, 2023. The Plan was amended effective July 31, 2023, and all participants became 100% vested. Participants who had not commenced benefit payments as of November 1, 2023, were allowed to receive an immediate lump sum or an annuity payment.

PALCO Retirement Plan

Notes to Financial Statements

On March 1, 2024, the Plan purchased annuity contracts from United of Omaha Life Insurance Company amounting to \$73,039,455 to provide benefits to the remaining Plan participants who did not elect to receive benefits in a lump sum distribution and in September 2024, the Plan received a reimbursement of funds from United of Omaha Life Insurance Company for \$3,478,795 due to adjustments to the original contract amount. The final distributions from the plan, including a distribution of \$2,973,818 for a surplus funds to Humboldt Redwood Company, LLC, were made from the Plan in September 2024. The surplus funds were the result of a mistake of fact by United of Omaha when calculating the annuity contract value of \$73,039,455.

During 2024, the Company made contributions of \$1,155,125 (\$1,993,748 funded by the Company, net of a \$838,624 in plan liquidity loan repayment to the Company), incurred a net loss on conversion of investments of \$1,752,529 and paid expenses of \$65,355. These amounts were used to settle the benefits paid in 2024 and have been included in the statement of net assets available for benefits in liquidation as of December 31, 2023, and the statement of changes in net assets available for benefits in liquidation for the year ended December 31, 2023.

Note 6 – Fair Value Measurements

The framework for measuring fair value provides a 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 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.

PALCO Retirement Plan Notes to Financial Statements

Following is a description of the valuation techniques used for assets measured at fair value. There have been no changes in the techniques used at September 30, 2024 and December 31, 2023.

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

Corporate and foreign debt instruments – Valued at the closing price reported on the active market on which the individual instruments are traded.

U.S. government securities – Valued at the daily unit closing price reported by the U.S. Department of Treasury.

Limited partnerships – Limited partnerships are valued using the NAV provided by the administrator of the partnership. The NAV is based on the value of the underlying assets owned by the partnership, minus its liabilities, and then divided by the number of units outstanding. The NAV reported by underlying partnership managers is used to determine the value of the limited partnership investments which (a) do not have a readily determinable fair value, and (b) prepare their financial statements consistent with the measurement principles of an investment company. The number of units of the partnership that are outstanding on the calculation date is derived from observable purchase and redemption activity in the partnerships. The partnerships may be subject to redemption restrictions.

The following table provides additional information for investments in certain entities that measure fair value using the NAV practical expedient:

	Fair Value 9/30/2024	Fair Value 12/31/2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Steadfast International LTD	\$ -	\$ 3,754,049	\$ -	Quarterly	30 days
Taconic Opportunity Offshore Fund LTD	-	619,435	-	Quarterly	60 days
Centerbridge Credit Partners TE LP	-	108,242	-	Semi-annually	90 days
Acacia Conservation Fund Offshore 1	-	69,974	-	Semi-annually	30 days
	<u>\$ -</u>	<u>\$ 4,551,700</u>	<u>\$ -</u>		

Investments are held under a trust agreement with the trustee. The Plan's investment committee establishes the policies and has selected certain funds maintained by the trustee for investment of Plan assets. The committee also determines the portion of Plan assets to be invested in such funds. The trustee select both third-party investment managers for these funds and the portion of each fund to be managed by the respective managers. Actual results achieved by the funds are reviewed by the committee on a periodic basis.

The valuation methods used by the Plan 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.

PALCO Retirement Plan Notes to Financial Statements

The following table discloses, by level, the fair value hierarchy of the Plan's assets at fair value as of December 31, 2023. There were no assets held at fair value as of September 30, 2024.

	Fair Value Measurements at December 31, 2023			
	Level 1	Level 2	Level 3	Total
Registered investment companies	\$ 4,784,744	\$ -	\$ -	\$ 4,784,744
US government securities	36,538,371	-	-	36,538,371
Corporate and foreign debt instruments	27,659,818	-	-	27,659,818
Municipal obligations	231,548	-	-	231,548
Total assets in the fair value hierarchy	\$ 69,214,481	\$ -	\$ -	69,214,481
Investments measured at NAV (practical expedient)				4,551,700
Total assets, at fair value				\$ 73,766,181

Note 7 – Information Certified by the Trustees

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. The following information included in the accompanying financial statements was obtained from data that has been prepared and certified as complete and accurate by Wilmington Trust, trustee of the plan, as of and for the year ended December 31, 2023, and Fidelity Management Trust Company, trustee of the plan, as of December 31, 2023 and September 30, 2024, and for the year ended December 31, 2023 and the period ended September 30, 2024:

	2024	2023
Investments, at fair value	\$ -	\$ 73,766,181
Net appreciation in fair value of investments	-	10,017,527
Dividends	-	387,876

Fidelity Management Trust Company also certified transactions reflected on the schedule of reportable transactions for the period ended September 30, 2024.

Note 8 – Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated November 6, 2017, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the opinion letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

PALCO Retirement Plan Notes to Financial Statements

In accordance with guidance on accounting for uncertainty in income taxes, the plan administrator has evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 9 – Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility, and credit risks. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. It is reasonably possible, given the level of risk associated with investment securities that changes in the values of the investments in the near term could materially affect a participant's account balance and the amounts reported in the statement of net assets available for benefits.

Concentrations of risk – Financial instruments that potentially subject the Plan to concentrations of custodial risk consist principally of cash deposits that may, from time to time, exceed FDIC insurance limits.

Note 10 – Party-In-Interest Transactions

Certain Plan investments are managed by Wilmington Trust, primary trustee of the Plan through March 9, 2023, and Fidelity Management Trust Company, primary trustee of the Plan from March 10, 2023, through December 31, 2023. Therefore, transactions with these entities qualify as exempt party-in interest transactions.

Affiliates of Alexander Redwood Partners, LLC, the majority owner of HRC, hold less than 5% of the ownership of Hall Capital Partners LLC. HRC pays directly (non-Plan funds) to Hall Capital Partners LLC fees for assistance in determining investments for the Plan.

PALCO Retirement Plan
Notes to Financial Statements

Note 11 – Reconciliation to Form 5500

The following is a reconciliation of the net assets available for benefits reported in the financial statements and the net assets reported on the Form 5500 as of September 30, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits, per the financial statements	\$ -	\$ 74,315,894
Adjustment to liquidation basis		
Net appreciation in fair value of investments	-	1,902,101
Dividends	-	(149,572)
Contributions	-	(1,155,125)
Administrative expenses	-	65,355
Rounding	-	(1)
Net assets per the Form 5500	<u>\$ -</u>	<u>\$ 74,978,652</u>

The following is a reconciliation of the change in net assets available for benefits reported in the financial statements and the net income reported on the Form 5500 for the period ended September 30, 2024:

Change in net assets per the financial statements	\$ (74,315,894)
Adjustment to liquidation basis	
Net appreciation in fair value of investments	(1,902,101)
Dividends	149,572
Contributions	1,155,125
Administrative expenses	(65,355)
Rounding	<u>1</u>
Net income per the Form 5500	<u>\$ (74,978,652)</u>

The Form 5500 has certain items that differ from amounts shown on the accompanying financial statements. These differences relate to classification only and have no effect upon net assets available for benefits for either.

**Supplemental Schedule
Required by the Department of Labor**

PALCO Retirement Plan
EIN: 26-2635546, Plan #: 001
Schedule H, Line 4(j) – Schedule of Reportable Transactions
Period Ended September 30, 2024

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(g) Cost of assets	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Category I - Single transaction in excess of 5% of plan assets:						
FIDELITY GOVERNMENT PORTFOLIO	Registered Investment Company					
1 purchase, 63,725,868 shares		\$ 1.00	\$ -	\$ 63,725,868	\$ 63,725,868	\$ -
1 sale, 71,045,707 shares		-	1.00	71,045,707	71,045,707	-
DREYFUS GOVERNMENT CASH MGMT INSTL	Registered Investment Company					
1 purchase, 62,622,467 shares		1.00	-	62,622,467	62,622,467	-
1 sale, 63,722,926 shares		-	1.00	63,722,926	63,722,926	-
Category III - Series of transactions in excess of 5% of plan assets:						
FIDELITY GOVERNMENT PORTFOLIO	Registered Investment Company					
33 purchases, 72,509,137 shares		1.00	-	72,509,137	72,509,137	-
14 sales, 76,809,119 shares		-	1.00	76,809,119	76,809,119	-
STEADFAST INTL LTD	Limited Partnership					
2 sales, 27,374 shares		-	137.14	3,059,583	3,754,169	694,586
DREYFUS GOVERNMENT CASH MGMT INSTL	Registered Investment Company					
14 purchases, 263,291,670 shares		1.00	-	63,291,670	63,291,670	-
2 sales, 63,776,422 shares		-	1.00	63,776,422	63,776,422	-

There were no Category II or IV reportable transactions during the period ended September 30, 2024.
Columns (e) and (f) have not been presented, as this information is not applicable.

PALCO Retirement Plan
EIN: 26-2635546, Plan #: 001
Schedule H, Line 4(j) – Schedule of Reportable Transactions
Period Ended September 30, 2024

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(g) Cost of assets	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Category I - Single transaction in excess of 5% of plan assets:						
FIDELITY GOVERNMENT PORTFOLIO	Registered Investment Company					
1 purchase, 63,725,868 shares		\$ 1.00	\$ -	\$ 63,725,868	\$ 63,725,868	\$ -
1 sale, 71,045,707 shares		-	1.00	71,045,707	71,045,707	-
DREYFUS GOVERNMENT CASH MGMT INSTL	Registered Investment Company					
1 purchase, 62,622,467 shares		1.00	-	62,622,467	62,622,467	-
1 sale, 63,722,926 shares		-	1.00	63,722,926	63,722,926	-
Category III - Series of transactions in excess of 5% of plan assets:						
FIDELITY GOVERNMENT PORTFOLIO	Registered Investment Company					
33 purchases, 72,509,137 shares		1.00	-	72,509,137	72,509,137	-
14 sales, 76,809,119 shares		-	1.00	76,809,119	76,809,119	-
STEADFAST INTL LTD	Limited Partnership					
2 sales, 27,374 shares		-	137.14	3,059,583	3,754,169	694,586
DREYFUS GOVERNMENT CASH MGMT INSTL	Registered Investment Company					
14 purchases, 263,291,670 shares		1.00	-	63,291,670	63,291,670	-
2 sales, 63,776,422 shares		-	1.00	63,776,422	63,776,422	-

There were no Category II or IV reportable transactions during the period ended September 30, 2024.
Columns (e) and (f) have not been presented, as this information is not applicable.