# 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

**2023**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 10/29/2023 and ending 10/26/2024

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

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

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

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] 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
STEPHERSON, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan
10/31/2009

**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)
STEPHERSON, INCORPORATED

5150 AMERICAN WAY
MEMPHIS, TN 38115

**2b** Employer Identification Number (EIN)
62-0536130

**2c** Plan Sponsor's telephone number
901-382-5701

**2d** Business code (see instructions)
445110

**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. | 07/16/2025 | JAMES STEPHERSON |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| SIGN HERE | Filed with authorized/valid electronic signature. | 07/16/2025 | JAMES STEPHERSON |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | | |
|---|---|---|---|
| **3a** | Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | | **3c** Administrator's telephone number | |
| **4** | If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: | **4b** EIN | |
| **a** | Sponsor's name | **4d** PN | |
| **c** | Plan Name | | |
| **5** | Total number of participants at the beginning of the plan year | **5** | 497 |
| **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)** | 423 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 405 |
| **b** | Retired or separated participants receiving benefits | **6b** | 7 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 76 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 488 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 5 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 493 |
| **g(1)** | Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) | **6g(1)** | 437 |
| **g(2)** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g(2)** | 478 |
| **h** | Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 30 |
| **7** | Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2P 2Q 3I

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

**9a** Plan funding arrangement (check all that apply)
- **(1)** [ ] Insurance
- **(2)** [ ] Code section 412(e)(3) insurance contracts
- **(3)** [X] 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)** [X] 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)** [X] **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
- **(4)** [ ] **DCG** (Individual Plan Information) – Number Attached 0
- **(5)** [ ] **MEP** (Multiple-Employer Retirement Plan Information)

**b General Schedules**
- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information) – Number Attached ______
- **(4)** [X] **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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 **2023** This Form is Open to Public Inspection. |
|---|---|---|

For calendar plan year 2023 or fiscal plan year beginning 10/29/2023 and ending 10/26/2024

| | |
|---|---|
| **A** Name of plan STEPHERSON, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN | **B** Three-digit plan number (PN) ▶ 002 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 STEPHERSON, INCORPORATED | **D** Employer Identification Number (EIN) 62-0536130 |

## 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

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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)

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |

| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---|---|
| | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

| **(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 | OMB No. 1210-0110 2023 |
|---|---|---|
| | 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.** | **This Form is Open to Public Inspection** |

For calendar plan year 2023 or fiscal plan year beginning 10/29/2023 and ending 10/26/2024

**A** Name of plan
STEPHERSON, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
STEPHERSON, INCORPORATED

**D** Employer Identification Number (EIN)
62-0536130

## 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 | 100000 | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| (1) Employer contributions | 1b(1) | 200513 | 385616 |
| (2) Participant contributions | 1b(2) | | |
| (3) Other | 1b(3) | | |
| **c** General investments: | | | |
| (1) Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 923802 | 264788 |
| (2) U.S. Government securities | 1c(2) | | |
| (3) Corporate debt instruments (other than employer securities): | | | |
| (A) Preferred | 1c(3)(A) | | |
| (B) All other | 1c(3)(B) | | |
| (4) Corporate stocks (other than employer securities): | | | |
| (A) Preferred | 1c(4)(A) | | |
| (B) Common | 1c(4)(B) | | |
| (5) Partnership/joint venture interests | 1c(5) | | |
| (6) Real estate (other than employer real property) | 1c(6) | | |
| (7) Loans (other than to participants) | 1c(7) | | |
| (8) Participant loans | 1c(8) | | |
| (9) Value of interest in common/collective trusts | 1c(9) | | |
| (10) Value of interest in pooled separate accounts | 1c(10) | | |
| (11) Value of interest in master trust investment accounts | 1c(11) | | |
| (12) Value of interest in 103-12 investment entities | 1c(12) | | |
| (13) Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| (14) Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| (15) Other | 1c(15) | | |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| (1) Employer securities | 1d(1) | 42624000 | 37863000 |
| (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 | 43848315 | 38513404 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 94060 | |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | | |
| **j** Other liabilities | 1j | 16051494 | 15404023 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 16145554 | 15404023 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 27702761 | 23109381 |

## 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) | 1212863 | |
| **(B)** Participants | 2a(1)(B) | | |
| **(C)** Others (including rollovers) | 2a(1)(C) | | |
| **(2)** Noncash contributions | 2a(2) | | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1212863 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 11793 | |
| **(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) | | 11793 |
| **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| **(B)** Common stock | 2b(2)(B) | | |
| **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| **(3)** Rents | 2b(3) | | |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| **(B)** Other | 2b(5)(B) | -4761000 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | -4761000 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | -3536344 |

## Expenses

| | | | |
|---|---|---|---|
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 877235 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 877235 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | 179777 |
| i Administrative expenses: | | | |
| (1) Salaries and allowances | 2i(1) | | |
| (2) Contract administrator fees | 2i(2) | | |
| (3) Recordkeeping fees | 2i(3) | | |
| (4) IQPA audit fees | 2i(4) | | |
| (5) Investment advisory and investment management fees | 2i(5) | | |
| (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) | 24 | |
| (12) Total administrative expenses. Add lines **2i(1)** through **(11)** | 2i(12) | | 24 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1057036 |

## Net Income and Reconciliation

| | | | |
|---|---|---|---|
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -4593380 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

**(1)** [ ] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [X] 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: DELBROCCO AND ASSOCIATES, PLLC **(2)** EIN: 45-4110923

**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.) | 4a | | 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.) | 4b | | X | |
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 1000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | X | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? [ ] Yes [X] 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) | Retirement Plan Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury Internal Revenue Service<br>Department of Labor Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | 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).<br>▶ **File as an attachment to Form 5500.** | **2023**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2023 or fiscal plan year beginning 10/29/2023 and ending 10/26/2024

**A** Name of plan
STEPHERSON, INCORPORATED EMPLOYEE STOCK OWNERSHIP PLAN

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
STEPHERSON, INCORPORATED

**D** Employer Identification Number (EIN)
62-0536130

## 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): 42-0127290 ____________

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

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

## Part II Funding Information

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

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

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

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

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

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

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

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

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

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

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

## Part III Amendments

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

## Part IV ESOPs

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

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

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

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

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

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that (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) 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__________.

**DelBrocco & Associates, PLLC**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Stepherson, Inc.
Employee Stock Ownership Plan

### Opinion

We have audited the accompanying financial statements of Stepherson's Inc. Employee Stock Ownership Plan, which comprises the statements of net assets available for benefits as of October 26, 2024 and October 28, 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Stepherson, Inc. Employee Stock Ownership Plan as of October 26, 2024 and October 28, 2023, and the changes in its net assets available for benefits in the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stepherson, Inc. Employee Stock Ownership 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 audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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 Stepherson, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date 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**
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 Stepherson, Inc. Employee Stock Ownership 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 Stepherson, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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**
Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held as of October 26, 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, 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 information in the accompanying supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Dell Brown & Associates, PLLC

Memphis, TN
July 3, 2025

DelBrocco & Associates, PLLC

# Stepherson, Inc. Employee Stock Ownership Plan

## Financial Statements and Supplemental Schedule as of and for the Years Ended October 26, 2024 and October 28, 2023 and Independent Auditors' Report

**STEPHERSON, INC. EMPLOYEE**
**STOCK OWNERSHIP PLAN**

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All other schedules are omitted because of the absence of conditions under which they are required.

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Stepherson, Inc.
Employee Stock Ownership Plan

**Opinion**

We have audited the accompanying financial statements of Stepherson's Inc. Employee Stock Ownership Plan, which comprises the statements of net assets available for benefits as of October 26, 2024 and October 28, 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of Stepherson, Inc. Employee Stock Ownership Plan as of October 26, 2024 and October 28, 2023, and the changes in its net assets available for benefits in the years then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stepherson, Inc. Employee Stock Ownership 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 audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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 Stepherson, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date 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**

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 Stepherson, Inc. Employee Stock Ownership 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 Stepherson, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

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**

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets held as of October 26, 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 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, 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 information in the accompanying supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Del Brown & Associates, PLLC

Memphis, TN
July 3, 2025

**STEPHERSON, INC. EMPLOYEE**
**STOCK OWNERSHIP PLAN**

## STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
## OCTOBER 26, 2024

| ASSETS | Allocated | Unallocated | Total |
|---|---|---|---|
| Investment in sponsor company common stock, at estimated fair value | $ 16,659,720 | $ 21,203,280 | $ 37,863,000 |
| Investment in money market fund | 264,788 | | 264,788 |
| Plan sponsor receivables | 385,615 | | 385,615 |
| **TOTAL ASSETS** | 17,310,123 | 21,203,280 | 38,513,403 |
| **LIABILITIES** | | | |
| Promissory notes payable to plan sponsor | | 15,404,023 | 15,404,023 |
| **TOTAL LIABILITIES** | | 15,404,023 | 15,404,023 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 17,310,123 | $ 5,799,257 | $ 23,109,380 |

See notes to financial statements and independent auditors' report

STEPHERSON, INC. EMPLOYEE
STOCK OWNERSHIP PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
OCTOBER 28, 2023

| ASSETS | Allocated | Unallocated | Total |
|---|---|---|---|
| Investment in sponsor company common stock, at estimated fair value | $ 17,617,920 | $ 25,006,080 | $ 42,624,000 |
| Investment in money market fund | 923,802 | | 923,802 |
| Plan sponsor receivables | 200,513 | | 200,513 |
| Cash | 100,000 | | 100,000 |
| **TOTAL ASSETS** | 18,842,235 | 25,006,080 | 43,848,315 |
| **LIABILITIES** | | | |
| Accrued diversification and distributions | 94,060 | | 94,060 |
| Promissory notes payable to plan sponsor | | 16,051,494 | 16,051,494 |
| **TOTAL LIABILITIES** | 94,060 | 16,051,494 | 16,145,554 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 18,748,175 | $ 8,954,586 | $ 27,702,761 |

See notes to financial statements and independent auditors' report

**STEPHERSON, INC. EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED OCTOBER 26, 2024**

| | Allocated | Unallocated | Total |
|---|---|---|---|
| **CONTRIBUTIONS -** | | | |
| Employer | $ 385,616 | $ 827,247 | $ 1,212,863 |
| **INVESTMENT INCOME (LOSS):** | | | |
| Net unrealized depreciation in estimated fair value of investments | (1,967,880) | (2,793,120) | (4,761,000) |
| Interest | 11,793 | | 11,793 |
| Allocation of 24,000 shares of common stock of Plan Sponsor, at estimated fair value | 1,009,680 | | 1,009,680 |
| Total | (946,407) | (2,793,120) | (3,739,527) |
| **TOTAL ADDITIONS (DEPRECIATION)** | (560,791) | (1,965,873) | (2,526,664) |
| **DEDUCTIONS FROM NET ASSETS:** | | | |
| Interest | | 179,776 | 179,776 |
| Benefit distributions to participants | 877,261 | | 877,261 |
| Allocation of 24,000 shares of common stock of Plan Sponsor, at estimated fair value | | 1,009,680 | 1,009,680 |
| Total deductions from net assets | 877,261 | 1,189,456 | 2,066,717 |
| **DECREASE IN NET ASSETS AVAILABLE FOR BENEFITS** | (1,438,052) | (3,155,329) | (4,593,381) |
| **NET ASSETS AVAILABLE FOR BENEFITS:** | | | |
| **BEGINNING OF PERIOD** | 18,748,175 | 8,954,586 | 27,702,761 |
| **END OF PERIOD** | $ 17,310,123 | $ 5,799,257 | $ 23,109,380 |

See notes to financial statements and independent auditors' report

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED OCTOBER 28, 2023**

| | Allocated | Unallocated | Total |
|---|---|---|---|
| **CONTRIBUTIONS -** | | | |
| Employer | $ 200,513 | $ 827,247 | $ 1,027,760 |
| **INVESTMENT INCOME:** | | | |
| Net unrealized appreciation in estimated fair value of investments | 1,882,680 | 2,986,320 | 4,869,000 |
| Interest | 53,828 | | 53,828 |
| Allocation of 24,000 shares of common stock of Plan Sponsor, at estimated fair value | 1,136,640 | | 1,136,640 |
| Total | 3,073,148 | 2,986,320 | 6,059,468 |
| **TOTAL ADDITIONS** | 3,273,661 | 3,813,567 | 7,087,228 |
| **DEDUCTIONS FROM NET ASSETS:** | | | |
| Interest | | 186,948 | 186,948 |
| Benefit distributions to participants | 3,071,009 | | 3,071,009 |
| Allocation of 24,000 shares of common stock of Plan Sponsor, at estimated fair value | | 1,136,640 | 1,136,640 |
| Total deductions from net assets | 3,071,009 | 1,323,588 | 4,394,597 |
| **INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS** | 202,652 | 2,489,979 | 2,692,631 |
| **NET ASSETS AVAILABLE FOR BENEFITS:** | | | |
| **BEGINNING OF PERIOD** | 18,545,523 | 6,464,607 | 25,010,130 |
| **END OF PERIOD** | $ 18,748,175 | $ 8,954,586 | $ 27,702,761 |

See notes to financial statements and independent auditors' report

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following description of the Stepherson, Inc. Employee Stock Ownership Plan ("Plan") provides only general information. The Plan Sponsor and Administrator is Stepherson, Inc. ("Company"), a retail grocer in the Memphis, TN area. The Plan Agreement provides a more complete description of the Plan's provisions.

**Basis of Presentation**
The policy of the Plan is to prepare its financial statements on the accrual method of accounting except that investments are reported at current value and benefits to participants are recorded when paid. The preparation of the financial statements requires management to make certain estimates and assumptions required under generally accepted accounting principles which may differ from the actual results.

**Fiscal Year**
The Plan operates in a 52/53 week fiscal year consistent with the policy of the Company ending on a Saturday in late October or early November.

**Cash**
For purposes of financial statement presentation, the Company treats all demand deposits and investments with an original maturity date of less than ninety days as cash and equivalents.

**Investment Valuation and Income Recognition**
Investments in the shares of Company common stock are valued at estimated current value. See Note 3 for discussion of fair value measurements.

**Payment of Benefits**
Benefits are recorded when paid or equivalent contributions by the Sponsor are received.

**Operating Expenses**
Principally all expenses of maintaining the Plan including costs related to Plan administration, audit and valuation services are paid by the Plan Sponsor.

**Use of Estimates**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

## 2. PLAN DESCRIPTION

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

The Company established the Plan effective as of November 1, 2009 and operates as a leveraged employee stock ownership plan designed to comply with Section 4975(e)7 and the regulations thereunder of the Internal Revenue Code of 1986, as amended ("Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as as amended ("ERISA"). The Plan is administered by a third party, Principal Financial Group, Inc.

**Acquisition of Company Shares**

In 2010, the Plan purchased 300,000 common shares of the Company ("Initial Shares") with seller financed promissory notes payable and holds the stock in a trust established under the Plan (See Note 8). The promissory notes were retired in October 2020 by fully deductible Company contributions to the trust fund.

In 2020, the Plan purchased 600,000 Company common shares ("Second Stage Shares") with seller financed promissory notes and holds the stock in a trust established under the Plan (See Note 8). The promissory notes are payable over a period of twenty-five years by fully deductible Company contributions to the trust fund.

As the Plan makes debt payments, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The promissory notes payable are collateralized by the unallocated shares of stock and guaranteed by the Company with the seller and lender having no rights against shares allocated under the Plan. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to: the accounts of employees with vested rights in allocated stock ("Allocated") and stock not yet allocated to employees ("Unallocated") as of October 26, 2024 and October 28, 2023 and the years then ended.

**Plan Amendment**

The Plan was amended in the year ended October 26, 2024 to provide that all distributions shall be made in accordance with any distribution and/or segregation policy adopted by the Administrator.

**Eligibility**

Except for union represented employees, the Plan covers substantially all employees after one year of service providing they have attained the age of 21 and worked at least 1,000 hours during the Plan year. Participants with less than 1,000 hours of service during such Plan year are generally not eligible for an allocation of Company contributions for such year.

**Payment of Benefits**

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company. Distributions are made in cash or, if a participant elects, in the form of Company common shares plus cash for any fractional share. The Plan benefit distributions in the years ended October 26, 2024 and October 28, 2023 were \$877,261 and \$3,071,009, respectively.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan as long as the shares are not publicly traded or if the shares are subject to trading limitations.

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

**Plan Termination**
The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or the beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Employer shall direct the distribution of assets to the participants according to the Plan provisions.

**Participant Accounts and Forfeitures**
Employer contributions, Plan forfeitures and Plan earnings are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Plan participant forfeitures of terminated non-vested account balances allocated to remaining participants total $70,289 and $25,636 in the years ended October 26, 2024 and October 28, 2023,

**Put Option**
Under Federal income tax regulations, the employer stock that is held by the Plan and its participants which is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a participant right to demand the Company buy any shares of its stock distributed to participants for which there is no active market. The put price is representative of the fair market value of the stock. The Company may, at its discretion, pay for the purchase with interest over a period of five years.

**Risks and Uncertainties**
The Plan investments consist primarily of the Company's common stock, which is exposed to various risks, such as interest rate, market and credit risks, as well as assumptions of valuation based on earnings, cash flows and other such techniques. Due to the level of risk associated with the investment in common stock and to uncertainties inherent in estimates and assumptions, it is at least reasonably possible that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

**Segregation**
Participants who have terminated employment and are ineligible for an allocation under the Plan are subject to segregation whereby cash held in Plan accounts of the active participants are transferred in exchange for Company stock held in Plan accounts of terminated, ineligible participants at the fair value of common shares as determined at the most recent valuation date. The Company is not obligated to contribute cash to the Plan for any purpose pertaining to segregation.

**Vesting**
If a participant's employment with the Company ends for any reason other than retirement, permanent disability or death, the participant will vest in his or her account based on the total years of service with the Company. Participants vest 20% per year beginning after two years of service and are 100% vested after six years of service.

**Voting Rights**
Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee will vote any allocated share for which instructions have not been given by a participant. The Trustee will vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

**Diversification**
Participants having attained the age of at least 55 with at least ten years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25% of shares allocated to his or her account not previously diversified. In the sixth year, the the percentage changes to 50%. Participants who elect to diversify receive a cash distribution.

**Bonding**
Plan officials responsible for handling Plan assets are covered under a fidelity bond in conformity with ERISA requirements at October 26, 2024 and October 28, 2023.

## 3. FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits using methods to measure fair value which may produce an amount 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.

ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) measurements and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

> Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
>
> Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
>
> Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The money market fund (level 1) is valued at the quoted price of shares held by the Plan at year end.

The fair value of the Company common stock (level 3) is determined by an annual independent appraisal based on a combination of the market and income valuation methods. The appraiser took into account historical and projected cash flow, net income, return on assets, return on equity, market comparables and estimated fair value of Company assets and liabilities.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following table sets forth by level, within the fair value hierarchy, the Plan's investment assets at fair value:

| | 2024 | 2023 |
|---|---|---|
| Level 1 - Money market account | $ 264,788 | $ 923,802 |
| Level 2 - | | |
| Level 3 - common stock | 37,863,000 | 42,624,000 |
| Total investment assets at fair value | $ 38,127,788 | $ 43,547,802 |

The following table provides further details of the effect of Level 3 fair value measurement inputs on net assets or liabilities:

| | 2024 | 2023 |
|---|---|---|
| Balance at beginning of year | $ 43,547,802 | $ 37,755,000 |
| Purchases, issuances, settlements (net) | (659,014) | 923,802 |
| Change in unrealized appreciation of investment assets | (4,761,000) | 4,869,000 |
| Balance at end of year | $ 38,127,788 | $ 43,547,802 |

## 4. TAX STATUS

The Plan has applied for a determination letter from the Internal Revenue Service affirming the Plan is qualified and the trust established under the Plan is tax-exempt under the appropriate sections of the Code.

In January 2021, the Plan Sponsor elected to file its federal income tax return under provisions of the Internal Revenue Code pertaining to S- Corporations, whereby generally all federal income taxes, if any, are paid by the stockholders. The Plan is a tax-exempt entity and as such no provision will be made for federal income taxes.

The Plan has identified its Federal Annual Return/Report of Employee Benefit Plan as a major tax jurisdiction, as defined. The periods subject to examination are the years ending October 31, 2020 through October 26, 2024. All tax returns for the year ended October 26, 2024 are expected to be filed by August 15, 2025.

## 5. ADMINISTRATION OF PLAN ASSETS

The Plan's assets, principally Company common shares, are held by the Trustee and Company contributions are held and managed by the Trustee, which invests cash received and makes distributions to participants. The Trustee also administers the payment of interest and principal on the loan, which is reimbursed to the Trustee through contributions as determined by the Company.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses of $109,194 and $151,683 for the Trustee's, auditor's and valuation specialist's fees were paid by the Company for the years ended October 26, 2024 and October 28, 2023, respectively.

## 6. INVESTMENTS

The estimated fair value of the Plan's investments in Company common shares is as follows:

| | Shares | Cost | Fair Value |
|---|---|---|---|
| **October 26, 2024** | | | |
| Allocated | 396,000 | $ 6,539,074 | $ 16,659,720 |
| Unallocated | 504,000 | 15,765,120 | 21,203,280 |
| Total | 900,000 | $ 22,304,194 | $ 37,863,000 |
| **October 28, 2023** | | | |
| Allocated | 372,000 | $ 5,789,096 | $ 17,617,920 |
| Unallocated | 528,000 | 16,515,098 | 25,006,080 |
| Total | 900,000 | $ 22,304,194 | $ 42,624,000 |

## 7. EMPLOYER CONTRIBUTIONS

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary for the Plan to make its regularly scheduled payments of principal and interest due under its promissory notes payable obligation. Employer contributions of $1,212,863 and $1,027,760 were made in the years ended October 26, 2024 and October 28, 2023, respectively.

## 8. PROMISSORY NOTES PAYABLE

The Plan executed promissory notes payable ("Seller's Notes") to three shareholders ("Sellers") totaling $17,951,194 in connection with the purchase of 600,000 shares of Company common stock held by the shareholders at October 30, 2020 of which $15,404,023 and $16,051,494 was outstanding at October 26, 2024 and October 28, 2023, respectively. The Seller's Notes are payable with interest at 1.12% per annum in annual installments of $827,247, maturing on October 30, 2045. The Sellers upon the assumption of the Seller's Notes by the Plan Sponsor released and discharged the Plan from all obligations under the Seller's Notes.

The Plan Sponsor entered into an assumption agreement with the Plan providing for the assumption by the Company of the Seller's Notes and entered into a credit agreement ("ESOP Note") with the Plan in like amount and terms to the Seller's Notes. The note and the obligations of the Plan are intended to be an "exempt loan" within the meaning of section 4975(d)(3) of the Internal Revenue Code and section 408(b)(3) of ERISA.

The ESOP Note and any interest thereon shall be payable from (a) cash contributions made to the Plan by the Company and its participants that are participating employers under the Plan; (b) earnings attributable to the investment of such contributions; (c) cash dividends, earnings and distributions on the Common Stock acquired from the proceeds of the Seller's Notes; and (d) the proceeds of a subsequent loan to repay the Seller's or ESOP Notes.

Unallocated shares serve as collateral on the loan.

Principal maturities of notes payable at October 26, 2024 are as follows:

| | |
|---|---|
| 2025 | $ 654,722 |
| 2026 | 662,055 |
| 2027 | 669,470 |
| 2028 | 676,968 |
| 2029 | 684,566 |
| Thereafter | 12,056,242 |
| Total | $ 15,404,023 |

## 9. FLOOR PRICE PROTECTION

In 2010, the Plan acquired 300,000 shares ("Initial Shares") of the common stock of the Company. In 2020, the Plan acquired an additional 600,000 shares ("Second Stage Shares") of the common stock of the Company.

The Company assumed the Plan's Second Stage Shares note payable obligations which are collateralized by the unallocated shares of common stock of the Company. Due to the additional debt incurred by the Company in acquiring the Second Stage Shares, the fair value of the common shares was reduced to a value less than the purchase price. The Plan anticipates the actual value participants may receive for a distribution related to Initial Shares to be less than the value they would receive had the Second Stage Shares not been acquired.

The Company thus agreed to provide floor price protection to certain Plan participants for allocated Initial Shares under terms as follow:

a. Floor price protection shall remain in effect until the earlier of October 31, 2030 or the date the annual valuation of the shares of common stock held by the Plan as of the end of a plan year equals or exceeds $26.67.

b. Participant payments arising in the case of death, total and permanent disability or attainment of retirement age during the floor price protection period shall be at an amount not less than the then current fair market value of the shares as determined by the Plan valuation without regard to the outstanding aggregate principal balance of the outstanding indebtedness.

c. Payments made pursuant to the floor price protection terms are made by the Company and are not eligible for a rollover distribution and are treated as payroll subject to applicable federal, state and local tax obligations.

The valuation of shares of common stock held by the Plan as at October 26, 2024 and October 28, 2023 was $42.07 and $47.36, respectively. As such the Company has no further floor price protection obligations to Plan participants.

In accordance with the price protection agreement, the Plan Sponsor made no floor price protection payments in the plan years ended October 26, 2024 and October 28, 2023.

## 10. RELATED PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan invests in Company common stock and has indebtedness guaranteed by the Company. These are related party and party in interest transactions. As described in Note 5, the Company pays all expenses of the Plan. The Plan has a number of service providers. Such providers are parties in interest under ERISA.

## 11. CONCENTRATION OF CREDIT RISK

The Plan maintains its cash and cash equivalents of which there were none at October 26, 2024 in various commercial banks in interest and non-interest bearing accounts which are insured under the Federal Deposit Insurance Corporation ("FDIC") in aggregate up to $250,000 for each commercial bank.

A total of the insured and uninsured cash at October 26, 2024 is as follows:

| | |
|---|---|
| Total cash and equivalents on deposit with commercial banks | $ NIL |
| Portion insured by FDIC | |
| Uninsured cash on deposit with commercial banks | $ NIL |

## 12. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through July 3, 2025, the date the financial statements were available to be released.

**STEPHERSON, INC. EMPLOYEE**
**STOCK OWNERSHIP PLAN**

**EMPLOYER IDENTIFICATION NUMBER 62-0536130**
**PLAN NUMBER 002**

**SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT YEAR END)**
**AS OF OCTOBER 26, 2024**

| (a) | (b)(c) Identity of issue, Description | | (d) COST | (e) CURRENT VALUE |
|---|---|---|---|---|
| | **MONEY MARKET FUND -** | | | |
| | Pacific Premier Bank, money market account | | $ 264,788 | $ 264,788 |
| | **COMMON STOCK -** | **SHARES** | | |
| * | Stepherson, Inc. | 900,000 | 22,304,194 | 37,863,000 |
| | **TOTAL SCHEDULE OF ASSETS (HELD AT YEAR END)** | | $ 22,568,982 | $ 38,127,788 |

* Identified party-in-interest