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

2025

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

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
- [ ] 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
MARSHALL & STERLING ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/1977

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)
MARSHALL & STERLING ENTERPRISES, INC.

110 MAIN STREET
POUGHKEEPSIE, NY 12601-3080

2b Employer Identification Number (EIN) 14-1769290

2c Plan Sponsor's telephone number 845-454-0800

2d Business code (see instructions) 551112

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2026	FRANK SMITH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2026	FRANK SMITH
	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**	710
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)**	514
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	447
b	Retired or separated participants receiving benefits	**6b**	73
c	Other retired or separated participants entitled to future benefits	**6c**	126
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	646
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	6
f	Total. Add lines **6d** and **6e**.	**6f**	652
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)**	650
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)**	651
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.	**6h**	27
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 Characteristic Codes in the instructions:

2E 2I 2P 2Q 3H 3I

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

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1) [ ]	Insurance	**(1)** [ ]	Insurance
(2) [ ]	Code section 412(e)(3) insurance contracts	**(2)** [ ]	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4) [ ]	General assets of the sponsor	**(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 2025 Form M-1 annual report. If the plan was not required to file the 2025 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)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2025** **This Form is Open to Public Inspection.**

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan	**B** Three-digit plan number (PN) ▶	
MARSHALL & STERLING ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN		003
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)	
MARSHALL & STERLING ENTERPRISES, INC.	14-1769290	

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

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

a Name:

b EIN:

c Position:

d Address:

e Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

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

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

OMB No. 1210-0110

2025

This Form is Open to Public Inspection

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
MARSHALL & STERLING ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
MARSHALL & STERLING ENTERPRISES, INC.

D Employer Identification Number (EIN)
14-1769290

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	249	249
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	700	700
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	494768	220486
(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)	626750	1169045
(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)	233223421	266201847
(2) Employer real property	1d(2)		
1e Buildings and other property used in plan operation	1e		
1f Total assets (add all amounts in lines 1a through 1e)	1f	234345888	267592327
Liabilities			
1g Benefit claims payable	1g		
1h Operating payables	1h		
1i Acquisition indebtedness	1i		
1j Other liabilities	1j	24895905	27435375
1k Total liabilities (add all amounts in lines 1g through1j)	1k	24895905	27435375
Net Assets			
1l Net assets (subtract line 1k from line 1f)	1l	209449983	240156952

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)	9925953	
(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)		9925953
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	1916	
(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)		1916
(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)	47395	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		47395
(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)	32978426	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		32978426

		(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)		119
c Other income	2c		3880201
d Total income. Add all **income** amounts in column (b) and enter total	2d		46834010
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	14997556	
(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)		14997556
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		1129485
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)		
(12) Total administrative expenses. Add lines **2i(1)** through **(11)**	2i(12)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		16127041
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		30706969
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: RBT CPAS, LLP **(2)** EIN: 14-1604297

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)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

2025

This Form is Open to Public Inspection.

For calendar plan year 2025 or fiscal plan year beginning 01/01/2025 and ending 12/31/2025

A Name of plan
MARSHALL & STERLING ENTERPRISES, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500
MARSHALL & STERLING ENTERPRISES, INC.

D Employer Identification Number (EIN)
14-1769290

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 | 600888

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_____.

FINANCIAL REPORT
Audited

MARSHALL & STERLING ENTERPRISES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2025

Audited for:

Advisory Committee
Marshall & Sterling Enterprises, Inc. Employee Stock Ownership Plan

Audited by:
RBT CPAs, LLP
11 Racquet Road
Newburgh, NY 12550
(845) 567-9000

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LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Advisory Committee
Marshall & Sterling Enterprises, Inc.
Employee Stock Ownership Plan
110 Main Street
Poughkeepsie, NY 12601-3080

Opinion

We have audited the financial statements of Marshall & Sterling Enterprises, Inc. Employee Stock Ownership Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2025 and 2024, 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 financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2025 and 2024, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 the 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 Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 the Plan's ability to continue as a going concern for one year from the report date.

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 Responsibility 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

Emphasis of Matter

As discussed in Note 5 to the financial statements, the financial statements include securities valued at $266,201,847 and $233,233,421 as of December 31, 2025 and 2024, respectively, whose values have been estimated by the trustees of the Plan with the assistance of an independent appraisal firm, in the absence of readily ascertainable market values. We have examined the procedures used by the trustees in arriving at the estimated value of such securities and have inspected underlying documentation and, in the circumstances, we believe that such procedures are reasonable and the documentation is appropriate. However, because of the inherent uncertainty of a valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.

Supplemental Schedule Required by ERISA

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2025 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 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.

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 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.

RBT CPAs, LLP

Newburgh, NY
October 14, 2026

MARSHALL & STERLING ENTERPRISES, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31, 2025	Allocated	Unallocated	Total
Assets:			
Investment in Marshall & Sterling Enterprises, Inc. Common Stock at Fair Value (Note 4)	**$ 204,900,167**	**$ 61,301,680**	**$ 266,201,847**
Mutual Funds	**1,169,045**	**-**	**1,169,045**
Cash	**220,486**	**-**	**220,486**
Receivables:			
Employer Contribution Receivable	**249**	**-**	**249**
Other Receivable	**700**	**-**	**700**
Total Assets	**206,290,647**	**61,301,680**	**267,592,327**
Liabilities:			
Loans Payable (Note 6)	**-**	**27,435,375**	**27,435,375**
Net Assets Available for Benefits	**$ 206,290,647**	**$ 33,866,305**	**$ 240,156,952**

See Notes to Financial Statements.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31, 2024	Allocated	Unallocated	Total
Assets:			
Investment in Marshall & Sterling Enterprises, Inc.			
Common Stock at Fair Value (Note 4)	$ 181,115,998	$ 52,107,423	$ 233,223,421
Mutual Funds	626,750	-	626,750
Cash	494,768	-	494,768
Receivables:			
Employer Contribution Receivable	249	-	249
Other Receivable	700	-	700
Total Assets	182,238,465	52,107,423	234,345,888
Liabilities:			
Loans Payable (Note 6)	-	24,086,494	24,086,494
Other Liabilities	809,411	-	809,411
Net Assets Available for Benefits	$ 181,429,054	$ 28,020,929	$ 209,449,983

See Notes to Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2025	Allocated	Unallocated	Total
Additions to Net Assets Attributed to:			
Net Appreciation in Fair Value of Investments	$ 25,166,135	$ 7,923,852	$ 33,089,987
Dividends and Interest	5,879,702	-	5,879,702
Employer Contributions (Net of Adjustments)	6,153,669	1,710,652	7,864,321
Allocation of 1,112 Shares of Common Stock of Marshall & Sterling Enterprises, Inc., at Fair Value	2,659,643	-	2,659,643
Total Additions	39,859,149	9,634,504	49,493,653
Deductions from Net Assets Attributed to:			
Distributions to Participants	14,997,556	-	14,997,556
Allocation of 1,112 Shares of Common Stock of Marshall & Sterling Enterprises, Inc., at Fair Value	-	2,659,643	2,659,643
Interest Expense	-	1,129,485	1,129,485
Total Deductions	14,997,556	3,789,128	18,786,684
Net Increase in Net Assets	24,861,593	5,845,376	30,706,969
Net Assets Available for Benefits:			
Beginning	181,429,054	28,020,929	209,449,983
Ending	$ 206,290,647	$ 33,866,305	$ 240,156,952

See Notes to Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2024	Allocated	Unallocated	Total
Additions to Net Assets Attributed to:			
Net Appreciation in Fair Value of Investments	$ 24,505,499	$ 7,492,643	$ 31,998,142
Dividends	4,587,474	-	4,587,474
Employer Contributions	7,051,897	1,670,963	8,722,860
Allocation of 1,103 Shares of Common Stock of Marshall & Sterling Enterprises, Inc., at Fair Value	2,312,703	-	2,312,703
Total Additions	38,457,573	9,163,606	47,621,179
Deductions from Net Assets Attributed to:			
Distributions to Participants	11,828,975	-	11,828,975
Allocation of 1,103 Shares of Common Stock of Marshall & Sterling Enterprises, Inc., at Fair Value	-	2,312,703	2,312,703
Interest Expense	-	1,120,961	1,120,961
Total Deductions	11,828,975	3,433,664	15,262,639
Net Increase in Net Assets	26,628,598	5,729,942	32,358,540
Net Assets Available for Benefits:			
Beginning	154,800,456	22,290,987	177,091,443
Ending	$ 181,429,054	$ 28,020,929	$ 209,449,983

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Plan Description and Basis of Presentation:

General
Marshall & Sterling Enterprises, Inc. (the "Company") established the Marshall & Sterling Enterprises, Inc. Employee Stock Ownership Plan (the "Plan") effective as of January 1, 1977. The Plan was amended and operates, in relevant part, as a leveraged employee stock ownership plan (ESOP) and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986 as amended (the "Code"), and is subject to the applicable provisions of the Employment Retirement Income Security Act of 1974 (ERISA). The Plan is administered by the Advisory Committee.

The Plan purchased Company common stock using employer contributions and the proceeds of loans obtained from the Company (see Note 6) and holds the stock in a trust established under the Plan. The borrowings are to be repaid over a period of twenty to thirty years by fully tax-deductible Company contributions to the Trust Fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

The borrowings are collateralized by the unallocated shares of stock and guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan as of and for the years ended December 31, 2025 and 2024 present separately the assets and liabilities and changes therein pertaining to: (a) the accounts of participants with vested rights in allocated stock (allocated) and (b) stock not yet allocated to participants (unallocated).

Eligibility
Employees of the Company and its participating subsidiaries who have completed six months of service are eligible to enter the Plan as of the beginning of the next Plan year. Participants must work a minimum of 1,000 hours and be employed on the last working day of the year to be eligible for an allocation of Company contributions for that year.

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 to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Employee contributions are not permitted.

Payment of Benefits
Upon retirement, termination, death, or permanent disability, a participant receives a lump-sum or annuity amount equal to the value of his or her vested account balance. The non-vested portion of their account is forfeited.

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 the balances in his/her account based on total years of service with the Company. Participants vest 20 percent per year after two years of service, and are 100 percent vested after six years of service.

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 with an allocation of the employer contribution, if any, and also on the last day of each plan year with an allocation of shares of the Company's common stock released by the trustees 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.

Put Option
Under Federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily trading on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock. The payment can be made in installments or in a lump sum distribution. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

1. Plan Description and Basis of Presentation (continued):

Diversification
Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in the Company stock into investments that are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Participants may diversify up to 25 percent of the number of shares allocated to his/her account during the first five years of their qualified election period. In the sixth year, the percentage changes to 50 percent.

Administrative Expenses
All administrative expenses of maintaining the Plan are paid by the Company.

Voting Rights
Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account provided that the participant notifies the trustees prior to the time that such rights are to be exercised. The trustees are not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustees are required, however, to vote any unallocated shares on behalf of the collective best interests of the Plan participants and beneficiaries.

Participant Accounts and Forfeitures
Employer contributions and Plan forfeitures are allocated to each participant's account based upon the ratio of the participant's eligible compensation to total eligible compensation for the Plan year. Forfeited shares are allocated annually pro-rata based upon current year eligible compensation to participants who are employed on the last day of the plan year and have completed 1,000 hours of service during the plan year. Forfeitures reallocated to eligible participants at December 31, 2025 and 2024 consisted of $87,481 in cash and 137.54 shares of company stock and $21,132 in cash and 76.1698 shares of company stock, respectively.

2. Summary of Significant Accounting Policies:

Basis of Accounting
The Plan uses the accrual basis of accounting which recognizes income when it is earned and expenses when they are incurred.

Pervasiveness of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein. Actual results could differ from those estimates.

Allocations
The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released from collateral and become allocated generally in the period in which debt service is actually paid.

Investment Valuation and Income Recognition
Investments in Marshall & Sterling Enterprises, Inc. common stock are valued at fair value for financial statement presentation. Fair value is determined by annual independent appraisals. See Note 5 for discussion of fair value measurements.

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

Employer Contributions
Pursuant to the Plan agreement, the Company makes contributions to the Plan on a yearly basis. The amount contributed for 2025 and 2024 was 15% and 15%, respectively, of the eligible compensation paid to participants during the respective plan year.

Benefits
Benefits are recorded when paid.

2. Summary of Significant Accounting Policies (continued):

Income Taxes
The Internal Revenue Service has determined and informed the Company, by a letter dated May 25, 2017, that the Plan is qualified, and the trust established under the Plan is tax exempt, under the appropriate sections of the Internal Revenue Code ("IRC"). The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan Administrator has analyzed the tax positions taken by the Plan and concluded that, as of December 31, 2025, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in 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. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2022.

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 valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in the values of the common stock will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Priorities Upon 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 his or her beneficiary, at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Advisory Committee shall direct the trustees to make distributions to participants in accordance with the provisions of the Plan.

Subsequent Events
The date to which events occurring after December 31, 2025, the date of the most recent statement of net assets available for benefits, have been evaluated for possible adjustment to the financial statements or disclosure is October 14, 2026, which is the date on which the financial statements were available to be issued.

3. Administration of Plan Assets:

The Plan's assets, which consist principally of Company common stock, are held by the trustees of the Plan.

Company contributions are held and managed by the trustees, who invest cash received and make distributions to participants. The trustees also administer the payment of interest and principal on the loan, which is reimbursed to the Plan through contributions from the Company.

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

4. Investments:

The Plan's investments in Company stock at December 31 are presented in the following table:

	2025			
	Allocated		**Unallocated**	
Sponsor Company Common Shares:				
Number of Shares	**85,644**		**25,623**	
Cost	**$**	**40,620,667**	**$**	**27,435,375**
Fair Value	**$**	**204,900,167**	**$**	**61,301,680**

	2024			
	Allocated		Unallocated	
Sponsor Company Common Shares:				
Number of Shares	86,407		24,860	
Cost	$	31,799,758	$	24,086,494
Fair Value	$	181,115,998	$	521,075,423

The Plan allocated 1,112 and 1,103 shares at fair value during the years ended December 31, 2025 and 2024, respectively. During the years ended December 31, 2025 and 2024, respectively, the Company purchased 1,542 and 386 shares of stock allocated to retired or terminated employees.

5. Fair Value Measurement:

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to the 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 lowest priority to unobservable inputs (Level 3 measurements). The three levels of the 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 that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

a. Quoted prices for similar assets or liabilities in active markets;
b. Quoted prices for identical or similar assets or liabilities in inactive markets;
c. Inputs other than quoted prices that are observable for the asset or liability;
d. 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's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

5. Fair Value Measurement (continued):

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

	December 31, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual Funds	**$ 1,169,045**	**$ -**	**$ -**	**$ 1,169,045**
Company Stock	**-**	**-**	**266,201,847**	**266,201,847**
Total Assets at Fair Value	**$ 1,169,045**	**$ -**	**$ 266,201,847**	**$ 267,370,892**

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 626,750	$ -	$ -	$ 626,750
Company Stock	-	-	233,233,421	233,233,421
Total Assets at Fair Value	$ 626,750	$ -	$ 233,233,421	$ 233,860,171

Level 3 Gains and Losses

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2025 and 2024:

	Investment in Company Common Stock
Balance - December 31, 2023	$ 201,112,877
Unrealized Gains relating to assets still held at the reporting date	31,999,103
Other Liabilities	809,411
Shares Purchased	(697,970)
Balance - December 31, 2024	233,223,421
Unrealized Gains relating to assets still held at the reporting date	**32,978,426**
Balance - December 31, 2025	**$ 266,201,847**

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

The Company common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years as illustrated in the following tables:

December 31, 2025			
Instrument	**Fair Value**	**Principal Valuation Technique**	**Unobservable Inputs**
Sponsor Company Common Stock	$266,201,847	Income	EBITDA Net Income Weighted Average Cost of Capital Discount Rate Discount for Lack of Marketability
		Market	Public Comparables Revenue Multiple EBITDA Multiple Discount for Lack of Marketability

5. Fair Value Measurement (continued):

December 31, 2024			
Instrument	**Fair Value**	**Principal Valuation Technique**	**Unobservable Inputs**
Sponsor Company Common Stock	$233,223,421	Income	EBITDA Net Income Weighted Average Cost of Capital Discount Rate Discount for Lack of Marketability
		Market	Public Comparables Revenue Multiple EBITDA Multiple Discount for Lack of Marketability

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of the future fair values. Furthermore, while 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.

6. Loans Payable:

During 2013, the Plan's previous line of credit with the Company with a balance of $14,846,883 was converted to a 30 year term note at zero percent interest. The proceeds from the line of credit were used to purchase shares of stock in the Company to meet the Plan's annual repurchase liability. Effective January 1, 2024, the loan was restructured to include interest of 4.55%. This note is payable to the Company in annual installments of $255,023 including interest through December 31, 2042. The outstanding balance at December 31, 2025 and 2024 was $8,744,208 and $9,080,944, respectively.

During 2014, the Plan's previous line of credit with the Company with a balance of $7,549,401 was converted to a 30 year term note at zero percent interest. The proceeds from the line of credit were used to purchase shares of stock in the Company to meet the Plan's annual repurchase liability. Effective January 1, 2024, the loan was restructured to include interest of 4.55% and extended maturity date from July 1 to December 31. This note is payable to the Company in annual installments of $182,723 including interest through December 31, 2049. The outstanding balance at December 31, 2025 and 2024 was $6,263,253 and $6,406,143, respectively.

During 2020, the Plan negotiated a $20,000,000 line of credit with the Company at zero percent interest to fund the purchase of shares of stock in the Company, primarily to meet the Plan's annual repurchase liability. Under the terms of the line, the Plan can request annual advances until June 30, 2025 up to the available amount of the line. In 2020, the Plan requested an advance of $4,284,986 in order to purchase 3,281 shares. During 2021, the Plan requested an advance of $3,804,385 in order to purchase 2,735 shares. During 2022, the Plan requested $1,141,413 in order to purchase 777 shares. 1/40th of the aggregate outstanding amount of all advances is payable to the Company on each succeeding December 1st. Effective January 1, 2024, the loan was converted to 3 separate loans, each with a 40-year term note at 4.55% interest. These notes are payable to the Company in annual installments (including interest) of $116,361, $106,578 and $32,964 through December 31, 2060, 2061 and 2062, respectively. The combined outstanding balance of the three loans at December 31, 2025 and 2024 was $8,504,005 and $8,599,407, respectively.

During 2025, the Plan requested a loan for $697,965 in order to purchase 333 shares. The loan is a 40 year term note at 4.55% interest. This note is payable to the Company in annual installments of $22,241 including interest through December 31, 2064. The outstanding balance at December 31, 2025 was $691,830.

During 2025, the Plan requested a loan for $3,232,079 in order to purchase 1,542 shares. The loan is a 40 year term note at 4.55% interest. This note is payable to the Company in annual installments of $96,508 including interest through December 31, 2065. The outstanding balance at December 31, 2025 was $3,232,079.

6. Loans Payable (continued):

The notes are collateralized by the stock which has not been allocated to individual participant accounts. For each loan, a proportional amount of the shares acquired with the loan are allocated to participants each year over the applicable amortization period of the loan. The Company is committed to make cash contributions to the Plan in annual amounts sufficient for it to meet the debt service requirements.

The loans payable balances at December 31, 2025 and 2024 totaled $27,435,375 and $24,086,494, respectively.

Aggregate maturities required on long-term debt at December 31, 2025 are due in future years as follows:

2026	$	631,340
2027		666,528
2028		693,609
2029		728,450
2030		761,615
Due Thereafter		23,953,833
	$	27,435,375

7. Related Parties:

The trustees of the ESOP Plan are also employees of Marshall & Sterling Enterprises, Inc.

8. Reconciliation to Form 5500:

The following is a reconciliation of total additions per the financial statements to the Form 5500:

For the Years Ended December 31		**2025**		2024
Total additions per the financial statements	**$**	**49,493,653**	$	47,621,179
Adjustments:				
Allocation of Shares of Common Stock		**(2,659,643)**		(2,312,703)
Total additions presented on Form 5500	**$**	**46,834,010**	$	45,308,476

The following is a reconciliation of total deductions per the financial statements to the Form 5500:

For the Years Ended December 31		**2025**		2024
Total deductions per the financial statements	**$**	**18,786,684**	$	15,262,639
Adjustments:				
Allocation of Shares of Common Stock		**(2,659,643)**		(2,312,703)
Total deductions presented on Form 5500	**$**	**16,127,041**	$	12,949,936

9. Subsequent Events:

Effective January 1, 2026 the Plan document was updated to include an automatic lump-sum distribution if a terminated participant balance is less than $7,000 at the end of the year.

SUPPLEMENTARY INFORMATION

SCHEDULE 1 - SCHEDULE OF ASSETS HELD AT END OF YEAR
FORM 5500 SCHEDULE H LINE 4I
PLAN NUMBER 003, PLAN EIN# 14-1769290

As of December 31, 2025	Shares/Units	Cost	Value
Mutual Funds			
Institutional Prime Obligations Fund	1,168,461	$ 1,169,047	$ 1,169,045
Corporate Investment:			
* Marshall & Sterling Enterprises, Inc. Common Stock	111,267	68,056,042	266,201,847
		$ 69,225,089	$ 267,370,892

*Represents a party-in-interest as defined by ERISA