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 6047(e), 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

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [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)

Part II Basic Plan Information—enter all requested information

1a Name of plan
APPLIED BEHAVIOR CONSULTANTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 02/28/2005

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

APPLIED BEHAVIOR CONSULTANTS, INC.

4540 HARLIN DRIVE
SACRAMENTO, CA 95826

2b Employer Identification Number (EIN)
68-0400630

2c Sponsor's telephone number
916-364-7800

2d Business code (see instructions)
621498

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.	10/09/2014	RON SANDELL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/09/2014	RON SANDELL
	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

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	336
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	226
b	Retired or separated participants receiving benefits	**6b**	1
c	Other retired or separated participants entitled to future benefits	**6c**	57
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	284
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	1
f	Total. Add lines **6d** and **6e**.	**6f**	285
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	279
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	56
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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
APPLIED BEHAVIOR CONSULTANTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
APPLIED BEHAVIOR CONSULTANTS, INC.

D Employer Identification Number (EIN)
68-0400630

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	61440	63487
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		3744
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	598	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(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)	11200000	11600000
(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	11262038	11667231
Liabilities			
g Benefit claims payable	1g		5115
h Operating payables	1h		
i Acquisition indebtedness	1i	962400	295803
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	962400	300918
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	10299638	11366313

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)	727560	
(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)		727560
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)		
(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)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	400000	
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		400000

		(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		1127560
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	33482	
(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)		33482
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		27403
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		60885
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1066675
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] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

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

(1) Name: CAMPBELL TAYLOR & COMPANY **(2)** EIN: 68-0251243

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

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

Part IV Compliance Questions

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

During the plan year:

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

			Yes	No	Amount
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? If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

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 If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

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 section 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

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
APPLIED BEHAVIOR CONSULTANTS, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
APPLIED BEHAVIOR CONSULTANTS, INC.

D Employer Identification Number (EIN)
68-0400630

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): 51-0537409

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 of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

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

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

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

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

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

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

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

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

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

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

Part III Amendments

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

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

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

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

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

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

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

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

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

---

a Name of contributing employer

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

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

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

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

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

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

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

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

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

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

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

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

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

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

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

Financial Statements and
Independent Auditor's Report of

APPLIED BEHAVIOR CONSULTANTS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

December 31, 2013 and 2012

APPLIED BEHAVIOR CONSULTANTS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

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CTC CAMPBELL TAYLOR & COMPANY ♦ An Accountancy Corporation
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Plan Trustees
Applied Behavior Consultants, Inc. Employee Stock Ownership Plan
Sacramento, California

Report on the Financial Statements
We have audited the accompanying financial statements of Applied Behavior Consultants, Inc. Employee Stock Ownership Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statements of change in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Applied Behavior Consultants, Inc. Employee Stock Ownership Plan as of December 31, 2013 and 2012, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter
As explained in Note 2, the Plan is an Employee Stock Ownership Plan and invests in common stock of the Plan Sponsor valued at $11,600,000 and $11,200,000 as of December 31, 2013 and 2012, respectively. The fair value of Plan Sponsor common stock is determined by the Plan Trustees based on an annual valuation of the common stock prepared by an independent appraiser. However, because of the inherent uncertainty of the valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

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Report on Supplemental Information

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 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Campbell Taylor & Company

An Accountancy Corporation

Roseville, California
September 29, 2014

APPLIED BEHAVIOR CONSULTANTS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2013 and 2012

	2013			2012		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS:						
Investments, at fair value:						
Employer common stock	$ 10,505,293	$ 1,094,707	$ 11,600,000	$ 8,352,683	$ 2,847,317	$ 11,200,000
Cash	58,372	-	58,372	61,440	-	61,440
Receivables:						
Contribution receivable	3,744	-	3,744	598	-	598
Total assets	10,567,409	1,094,707	11,662,116	8,414,721	2,847,317	11,262,038
LIABILITIES:						
Loan payable	-	295,803	295,803	-	962,400	962,400
Total liabilities	-	295,803	295,803	-	962,400	962,400
NET ASSETS AVAILABLE FOR BENEFITS	$ 10,567,409	$ 798,904	$ 11,366,313	$ 8,414,721	$ 1,884,917	$ 10,299,638

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

APPLIED BEHAVIOR CONSULTANTS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2013

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Net appreciation in fair value of investments	$ 298,310	$ 101,690	$ 400,000
Employer contributions	33,562	693,998	727,560
Allocation of 3,197 shares of common stock at $580.00 per share	1,854,298	(1,854,298)	-
Total additions (reductions)	2,186,170	(1,058,610)	1,127,560
DEDUCTIONS FROM NET ASSETS:			
Benefits paid to participants	33,482	-	33,482
Interest expense	-	27,403	27,403
Total deductions	33,482	27,403	60,885
Increase (decrease) in net assets	2,152,688	(1,086,013)	1,066,675
Net assets available for benefits at beginning of year	8,414,721	1,884,917	10,299,638
Net assets available for benefits at end of year	$ 10,567,409	$ 798,904	$ 11,366,313

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

APPLIED BEHAVIOR CONSULTANTS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENT OF CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2012

	Allocated	Unallocated	Total
ADDITIONS TO NET ASSETS:			
Net depreciation in fair value of investments	$ (1,407,795)	$ (892,205)	$ (2,300,000)
Employer contributions	-	735,000	735,000
Allocation of 2,674 shares of common stock at $560.00 per share	1,497,345	(1,497,345)	-
Total additions (reductions)	89,550	(1,654,550)	(1,565,000)
DEDUCTIONS FROM NET ASSETS:			
Interest expense	-	57,545	57,545
Total deductions	-	57,545	57,545
Increase (decrease) in net assets	89,550	(1,712,095)	(1,622,545)
Net assets available for benefits at beginning of year	8,325,171	3,597,012	11,922,183
Net assets available for benefits at end of year	$ 8,414,721	$ 1,884,917	$ 10,299,638

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

NOTE 1: DESCRIPTION OF PLAN

The following description of Applied Behavior Consultants, Inc. Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Applied Behavior Consultants, Inc. Employee Stock Ownership Plan became effective February 28, 2005 to provide retirement benefits for employees of Applied Behavior Consultants, Inc. (the "Plan Sponsor"). The Plan is a leveraged employee stock ownership plan (ESOP) under section 4975(e)(7) of the Internal Revenue Code (the "Code") and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan is a defined contribution plan covering all eligible full-time employees. Participants are not permitted to make contributions to the Plan. The Plan is designed to invest primarily in the stock of the Plan Sponsor and may acquire such stock on a leveraged basis. Two employees of the Plan Sponsor serve as trustees to the Plan.

Plan Year

The Plan year begins January 1 and ends December 31.

Eligibility

Employees age twenty-one (21) years or older are eligible to participate in the Plan once they have completed one year of service with at least 1,000 hours of service.

Vesting

Participant accounts become fully vested after completing five years of service. The value of the participant's account becomes fully vested should the participant attain the normal retirement age, become permanently disabled or due to death.

Payment of Benefits

Upon termination of service, death, disability, or retirement, a participant may elect to receive a distribution equal to the value of the participant's vested account balance. Benefit payments are made in the form of cash and may be distributed in a single lump sum or installments.

Benefit payments of Plan Sponsor common stock include a "put option", that if exercised, requires the Plan Sponsor to purchase the stock based on terms defined in the Plan document.

Contributions

Plan Sponsor contributions are paid to the Plan as determined by the Board of Directors. Contributions must be made to pay any debt service on stock acquisition loans of the Plan. In addition, the Plan Sponsor may make a discretionary contribution to the Plan. Employees are not permitted to contribute to the Plan.

NOTE 1: **DESCRIPTION OF PLAN (Continued)**

Participant Accounts and Allocations

Plan Sponsor contributions and released shares of Plan Sponsor stock are allocated to employee accounts based on the ratio of a participant's compensation to total participants' compensation, subject to IRS limitations. Stock purchases financed by the Plan are held in a loan suspense account and are allocated to participants when the debt obligations are repaid.

At December 31, 2013 and 2012, 18,113 and 14,915 shares were allocated and 1,887 and 5,085 shares were unallocated, respectively.

Forfeitures

Any portion of the final balance in a participant's account which is not vested will become forfeited when the participant incurs a five-year break in service or, if earlier, when the participant's account has been completely distributed. Forfeitures are reallocated to the accounts of remaining participants as of the allocation date of the Plan year in which the forfeiture occurs. Forfeitures allocated to participant accounts totaled $438,997 and $326,572 for the years ended December 31, 2013 and 2012, respectively.

Diversification

Participants have diversification rights that require the Plan to repurchase Company shares and allow the participant to purchase other qualified investments. A participant who has reached age 55 and has ten (10) years of service in the Plan may diversify up to 25% of their account balance each year for the first five (5) years. The percentage is increased to 50% in the sixth year.

Voting Rights

Shares of Plan Sponsor stock in the Trust are voted by the trustees in such manner as they shall determine. With respect to certain corporate matters, each participant (or beneficiary) will be entitled to give confidential instruction to the trustees as to the voting of shares of Plan Sponsor stock then allocated to their Company stock account.

Plan Termination

Although it has not expressed any intent to do so, the Plan Sponsor has the right under the Plan to discontinue contributions and terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their accounts.

Administrative Expenses

The Plan Sponsor pays all significant Plan administrative expenses.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements of the Plan are maintained on the accrual basis of accounting and in accordance with generally accepted accounting principles of the United States (U.S. GAAP).

Benefits

Benefits are recorded when paid.

Investment Valuation and Income Recognition

The investment in employer stock is stated at fair market value as determined by an independent appraiser and approved by the Plan trustees. The appraised value per share was $580.00 and $560.00 as of December 31, 2013 and 2012, respectively. Because of the inherent uncertainty of the valuation, estimated and appraisal values of the investment in employer stock may differ significantly from values that would have been used had a ready market for such investments existed, and such differences could be material. Net appreciation (depreciation) in the fair value of investments is reflected in the statements of change in net assets available for benefits.

NOTE 2: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Concentration of Credit Risk

The Plan maintains its cash in bank deposit accounts which may exceed federally insured limits during the year. The Plan has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Income Taxes

The Plan obtained a favorable determination letter on September 20, 2013, in which the Internal Revenue Service (the "IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Plan management evaluates tax positions taken by the Plan to 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 by the IRS. Plan management has determined that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the financial statements. The Plan is subject to routine examinations by taxing authorities and there are currently no examinations for any tax periods in progress. Plan management believes it is no longer subject to income tax examinations for years prior to 2010.

Estimates and Assumptions

The preparation of these 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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3: **INVESTMENTS OF PLAN ASSETS**

During the years ended December 31, 2013 and 2012, the Plan's investment held at year end appreciated (depreciated) in value as follows:

	2013	2012
Net unrealized appreciation (depreciation) in fair value of investment:		
Plan Sponsor stock	$ 400,000	$(2,300,000)

The Plan held 20,000 shares of Plan Sponsor common stock as of December 31, 2013, of which 18,113 shares were allocated to participants of the Plan. In 2013 and 2012, 3,197 and 2,674 shares, respectively, of Plan Sponsor stock were allocated to participants' accounts. The ESOP owns 100% of Plan Sponsor stock outstanding. Company stock represents investments greater than 5% of net assets. No other investments are greater than 5% of net assets.

NOTE 4: **LOANS PAYABLE**

In February 2005, the Plan purchased 20,000 shares of the Plan Sponsor's common stock from two shareholders. The purchase was financed through two promissory notes of $2,450,000 each. In April 2010, one of the shareholder promissory notes was bifurcated into two notes. The notes bear interest at the federal reserve rate plus 1% (4.25% at December 31, 2013). The loans will be repaid in annual installments through March 1, 2035.

Aggregate annual principal maturities on the loans payable are due as follows:

2014	$ 11,692
2015	14,030
2016	14,030
2017	14,030
2018	14,030
Thereafter	227,991
	$ 295,803

NOTE 5: **FAIR VALUE MEASUREMENTS**

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

Level 1 - Inputs are unadjusted quoted prices for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Inputs that are unobservable and significant to the fair value measurement.

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

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, 2013 and 2012.

Investment in Plan Sponsor Common Stock

The fair value of Applied Behavior Consultants, Inc. common stock is determined by the Plan trustees based on an annual valuation prepared by an independent appraiser as no ready market for the stock exists.

NOTE 5: **FAIR VALUE MEASUREMENTS (Continued)**

The following table sets forth by level within the fair value hierarchy, the Plan's financial assets that were accounted for at fair value on a recurring basis at December 31, 2013:

	Level 1	Level 2	Level 3
Investment in Plan Sponsor common stock	$ -	$ -	$ 11,600,000
	$ -	$ -	$ 11,600,000

The following table sets forth by level within the fair value hierarchy, the Plan's financial assets that were accounted for at fair value on a recurring basis at December 31, 2012:

	Level 1	Level 2	Level 3
Investment in Plan Sponsor common stock	$ -	$ -	$ 11,200,000
	$ -	$ -	$ 11,200,000

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31, 2013:

	Investment in Plan Sponsor Common Stock
Balance, beginning of year	$ 11,200,000
Unrealized gain relating to shares held at year-end	400,000
Balance, end of year	$ 11,600,000

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2012:

	Investment in Plan Sponsor Common Stock
Balance, beginning of year	$ 13,500,000
Unrealized loss relating to shares held at year-end	(2,300,000)
Balance, end of year	$ 11,200,000

NOTE 6: **RELATED PARTY TRANSACTIONS AND PARTY - IN - INTEREST TRANSACTIONS**

The Plan invests in the common stock of the Plan Sponsor and has promissory notes outstanding to officers and former shareholders of the Plan Sponsor. This investment and the promissory notes qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA.

NOTE 7: **SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through September 29, 2014, the date the financial statements were available to be issued, and management has determined that no subsequent events have occurred that should be disclosed.

SUPPLEMENTAL SCHEDULE

APPLIED BEHAVIOR CONSULTANTS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
EIN: 68-0400630 / PLAN: 002

SCHEDULE OF ASSETS HELD AT END OF YEAR
December 31, 2013

(a) Party in Interest	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
*	Applied Behavior Consultants, Inc.	20,000 shares of common stock	$ 4,900,000	$11,600,000

**Party-in-interest*

Schedule H, line 4i
Schedule of Assets (Held At End of Year)

For the plan year beginning **01/01/2013** and ending **12/31/2013**

Name of plan
Applied Behavior Consultants, Inc. Employee Stock Ownership Plan

Employer Identification Number
68-0400630

Three-digit plan number ► **002**

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
	Applied Behavior Consultants	**20000 Shares Common Stock**	**4,900,000**	**11,600,000**