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
JOHN PAUL MITCHELL SYSTEMS 401K & PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 10/15/1997

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

JOHN PAUL MITCHELL SYSTEMS

1888 CENTURY PARK EAST
SUITE 1600
CENTURY CITY, CA 90067

2b Employer Identification Number (EIN)
95-3504616

2c Sponsor's telephone number
661-298-0400

2d Business code (see instructions)
325600

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	KAREN HERMANSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2014	KAREN HERMANSON
	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:	**4b**	EIN
a	Sponsor's name	**4c**	PN

5	Total number of participants at the beginning of the plan year	**5**	277
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**	296
b	Retired or separated participants receiving benefits	**6b**	0
c	Other retired or separated participants entitled to future benefits	**6c**	33
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	329
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f	Total. Add lines **6d** and **6e**.	**6f**	329
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	276
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	7
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2E 2F 2G 2J 2K 2T 3D 3H

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

9a Plan funding arrangement (check all that apply)		**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

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [ ] **D** (DFE/Participating Plan Information)

(6) [ ] **G** (Financial Transaction Schedules)

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.**	**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
JOHN PAUL MITCHELL SYSTEMS 401K & PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
JOHN PAUL MITCHELL SYSTEMS

D Employer Identification Number (EIN)
95-3504616

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).. . . . . [X] 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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(b) Enter name and EIN or address of person who provided you disclosure 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)

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04-3516284

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64	RECORDKEEPER	4503	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [X]

(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 [ ]

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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
JOHN PAUL MITCHELL SYSTEMS 401K & PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
JOHN PAUL MITCHELL SYSTEMS

D Employer Identification Number (EIN)
95-3504616

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)	1537272	0
(2) Participant contributions	1b(2)	25780	0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	3795962	0
(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)	1250298	1252183
(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)	20390546	29200966
(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)		
(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	26999858	30453149
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	26999858	30453149

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)		
(B) Participants	2a(1)(B)	808336	
(C) Others (including rollovers)	2a(1)(C)	164355	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		972691
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)	101384	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		101384
(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)	1373760	
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1373760
(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)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(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)		3028203
c Other income	2c		-7630
d Total income. Add all **income** amounts in column (b) and enter total	2d		5468408
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2010614	
(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)		2010614
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
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)	4503	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		4503
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		2015117
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		3453291
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) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

(1) Name: HEDMAN PARTNERS **(2)** EIN: 95-4485086

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		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	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
JOHN PAUL MITCHELL SYSTEMS 401K & PROFIT SHARING PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
JOHN PAUL MITCHELL SYSTEMS

D Employer Identification Number (EIN)
95-3504616

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**

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): 71-0294708 04-3581074

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

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN

DECEMBER 31, 2013 AND 2012

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HEDMAN PARTNERS

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Trustees of
John Paul Mitchell Systems 401(k) & Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of John Paul Mitchell Systems 401(k) & Profit Sharing Plan, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by ING National Trust, the trustee, and ING Institutional Plan Services, LLC, on behalf of Reliance Trust Company, the former trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executed investment transactions from January 28, 2013 through December 31, 2013. The former trustee held the Plan's investment assets and executed investment transactions through January 27, 2013. The plan administrator has obtained a certification from the trustee and former trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the trustee and former trustee is complete and accurate.

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Members of American Institute of Certified Public Accountants and California Society of Certified Public Accountants
www.hedmanpartners.com

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and former trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hedman Partners

Valencia, California
October 6, 2014

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31,

	2013	2012
ASSETS:		
Investments	$ 29,200,966	$ 24,186,508
Receivables		
Employer contributions	1,714,456	1,537,272
Employee deferrals	1,408	25,780
Notes receivable from participants	1,252,183	1,250,298
Total receivables	2,968,047	2,813,350
Net assets available for benefits	$ 32,169,013	$ 26,999,858

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

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2013

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
Investment income	
Interest and dividend income	$ 1,373,760
Net appreciation in fair value of investments	3,028,203
Total investment income	4,401,963
Interest income on notes receivable from participants	101,384
Contributions	
Employer profit sharing contributions	1,164,620
Employer non-elective safe harbor contributions	549,836
Employee deferrals	809,744
Rollovers	164,355
Total contributions	2,688,555
Total additions	7,191,902
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits paid to participants	2,010,614
Administrative expenses	4,503
Other	7,630
Total deductions	2,022,747
Net increase	5,169,155
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	26,999,858
End of year	$ 32,169,013

The accompanying notes are an integral part of this financial statement.

NOTE A - DESCRIPTION OF THE PLAN

The following description of the John Paul Mitchell Systems 401(k) & Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. General

The Plan is a defined contribution plan established by John Paul Mitchell Systems and JPMS Manufacturing, LLC (collectively, the "Employer") under the provision of Section 401(a) of the Internal Revenue Code ("IRC"). The Plan provides for a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Employer. The Plan is administered by the management of the Employer and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Reliance Trust Company, (the "Former Trustee "), was responsible for the custody and management of the Plan's net assets available for sale and ING Institutional Plan Services, LLC was the recordkeeper through January 27, 2013. Effective January 28, 2013, ING National Trust, (the "Trustee"), replaced Reliance Trust Company and ING Institutional Plan Services, LLC as the trustee and recordkeeper, respectively.

2. Eligibility

All nonunion, nonleased employees who are U.S. residents may participate in the Plan. Employees may begin contributing to the Plan upon three months of employment with the Employer and attainment of age 18, prior to the entry dates of January 1, April 1, July 1 and October 1. Employees are eligible for Employer non-elective safe harbor contributions upon one year of service, as defined in the Plan agreement, and attainment of age 21, prior to the entry dates of January 1 and July 1. Employees who are employed on the last day of the Plan year are also eligible for Employer discretionary matching or profit sharing contributions.

3. Contributions

Participants may elect to contribute, on a tax-deferred basis, up to 92% of their eligible compensation, subject to certain limitations under the IRC. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may direct contributions, as desired, in any of several investments offered by the Trustee and may change their investment options daily. In addition, the Employer makes a non-elective safe harbor contribution equal to 3% of a participant's eligible wages.

The Employer may also make a discretionary matching and/or profit sharing contribution for each active and eligible participant, in an amount subject to determination on an annual basis by the Board of Directors of the Employer.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

4. Participant Accounts

Each participant's account is credited with the participant's contributions, the Employer's non-elective safe harbor contribution, as well as allocations of the Employer's discretionary matching and/or profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

5. Notes Receivable From Participants

Participants may borrow from their account a minimum of $1,000 up to a maximum of 50% of their vested account balance (not to exceed $50,000 less the highest outstanding loan balance during the prior twelve-month period). Participants may have two loans outstanding at any time. All loans shall bear a fixed and reasonable rate of interest as determined by the plan administrator at the date of issuance. Loans must be paid back within five years of the date of issuance in accordance with terms established by the plan administrator. Loans for the purchase of a principal residence may be paid back over 15 years. Loans are due and payable upon the participant's termination of employment with the Employer.

6. Vesting

Employee contributions, rollovers, Employer non-elective safe harbor contributions, and actual earnings on all such contributions are fully vested at all times. Vesting of Employer discretionary matching contributions, profit sharing contributions and actual earnings thereon, are based upon the participant's years of service with the Employer as follows:

Years of Service	Percentage
Less than 1	0%
1	20%
2	40%
3	66%
4	80%
5	100%

NOTE A - DESCRIPTION OF THE PLAN (Continued)

7. Benefit Payments

Upon termination of employment with the Employer, a participant may receive a lump sum disbursement if his or her vested account balance is less than $1,000. If the vested account balance is between $1,000 and $5,000, a lump sum will be distributed directly to an individual retirement account unless the participant elects otherwise. For balances greater than $5,000, the participant is entitled to a lump sum amount. In the event of death or total and permanent disability, a participant's beneficiary or the participant is entitled to the total value of the participant's account. In addition, upon attaining age 59½, participants may receive distributions. Hardship withdrawals are also permitted if certain criteria are met.

8. Administrative Expenses

Administrative expenses incurred by the Trustee and Former Trustee in performance of their duties are paid from the assets of the Plan. Substantially all other administrative expenses of the Plan are paid by the Employer.

9. Forfeitures

Forfeitures of terminated participants' nonvested accounts are reallocated among the remaining participants in the proportion that each participant's eligible compensation bears to the total eligible compensation of all participants for the year. During the year ended December 31, 2013, $4,352 of forfeitures were allocated to participants. As of December 31, 2013 and 2012, there were $3,707 and $4,352, respectively, of unallocated forfeitures included in net assets available for benefits.

10. Plan Amendments and Termination

Although it has not expressed such intent, the Employer, by action of its Board of Directors, reserves the right, at any time, to amend or terminate the Plan. Upon termination of the Plan, further contributions to the Plan shall cease and all participants who are affected by such termination shall become 100% vested. Net assets available for benefits would be distributed to the participants based on each participant's interest in the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

3. Investment Valuation and Income Recognition

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

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 bought and sold as well as held during the year.

4. Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 and 2012. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

5. Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding increase to deductions from net assets.

6. Benefit Payments

Benefits are recorded when paid.

7. Subsequent Events

Plan management has evaluated subsequent events through October 6, 2014, the date the financial statements were available to be issued.

NOTE C - CERTIFICATION BY TRUSTEE AND FORMER TRUSTEE

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, all of the investment information, including investment income, included in the accompanying financial statements and supplemental schedule have been certified as complete and accurate by the Trustee and Former Trustee of the Plan.

NOTE D - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in inactive markets
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

The Plan invests in mutual funds, which are valued at the net asset value of shares held by the Plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012:

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	$ 84,390	$ -	$ -	$ 84,390
Fixed income	3,055,576	-	-	3,055,576
Growth	17,196,109	-	-	17,196,109
Money market	4,400,416	-	-	4,400,416
Value	1,856,826	-	-	1,856,826
Other	2,607,649	-	-	2,607,649
Total mutual funds	29,200,966	-	-	29,200,966
Total investments at fair value	$ 29,200,966	$ -	$ -	$ 29,200,966

December 31, 2012	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	$ 31,312	$ -	$ -	$ 31,312
Fixed income	3,403,741	-	-	3,403,741
Growth	13,115,130	-	-	13,115,130
Money market	3,795,962	-	-	3,795,962
Value	1,424,226	-	-	1,424,226
Other	2,416,137	-	-	2,416,137
Total mutual funds	24,186,508	-	-	24,186,508
Total investments at fair value	$ 24,186,508	$ -	$ -	$ 24,186,508

NOTE E - INVESTMENTS

Investments that represent 5% or more of the Plan's total net assets available for benefits as of December 31 are as follows:

	2013	2012
ING Money Market Fund	$ 4,400,416	$ 3,795,962
American Funds Europacific Fund	3,292,445	2,610,726
American Funds Growth Fund of America	7,268,166	5,466,669
ING PIMCO Total Return Fund	1,663,451	1,843,180
Lazard Emerging Markets Portfolio Fund	2,222,784	2,182,465
Prudential Jennison Equity Income Fund	5,713,065	4,432,810

During the year ended December 31, 2013, the Plan's variable investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $3,028,203. These investments consist of mutual funds offered by the Trustee and Former Trustee.

NOTE F - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Trustee and Former Trustee are parties-in-interest with respect to the Plan. Investments are held with and managed by the Trustee, and were held with and managed by the Former Trustee. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing rather than direct payment. Additional fees may be paid directly to the Trustee and Former Trustee or other parties-in-interest. Notes receivable and the related interest income are considered related party transactions.

NOTE G - INCOME TAX STATUS

The Internal Revenue Service ("IRS") has issued an opinion letter to the Trustee dated March 31, 2008, that the adopted prototype plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan did not seek a favorable determination letter with respect to the initial adoption of the plan document, nor with any plan amendments, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax exempt.

NOTE G - INCOME TAX STATUS (Continued)

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 tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expect 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 2010.

NOTE H - RISKS AND UNCERTAINTIES

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

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for Plan benefits per the financial statements to the Form 5500 at December 31:

		2013
Net assets available for Plan benefits per the financial statements	$	32,169,013
Less: contributions receivable at year-end		(1,715,864)
Net assets available for Plan benefits per the Form 5500	$	30,453,149

The following is a reconciliation of changes in net assets available for Plan benefits per the financial statements to the Form 5500 for the year ended December 31, 2013:

Net increase in net assets available for Plan benefits per the financial statements	$	5,169,155
Less: contributions receivable at the current year end		(1,715,864)
Net increase in net assets available for Plan benefits per the Form 5500	$	3,453,291

NOTE J - SUBSEQUENT EVENTS

Effective August 15, 2014, the Employer initiated a change in the platform offered by the Trustee, which resulted in a black out period from August 12, 2014 through August 15, 2014. During this period, funds could not be withdrawn from the Plan or applied to the participant-selected investments. At the conclusion of the blackout period, participant account balances were transferred into funds comparable to those offered by the Trustee prior to the platform change.

SUPPLEMENTAL SCHEDULE FURNISHED
PURSUANT TO DOL REGULATIONS UNDER ERISA
YEAR ENDED DECEMBER 31, 2013

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN

EIN: 95-3504616 PLAN: 002

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2013

(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*
*	ING Money Market Fund	Mutual Fund	$ -	$ 4,400,416
	American Funds EuroPacific Fund	Mutual Fund	-	3,292,445
	Blackrock Global Allocation fund	Mutual Fund	-	84,390
	Lazard Emerging Markets Portfolio Fund	Mutual Fund	-	2,222,784
	Allianz NFJ Small Cap V	Mutual Fund	-	1,482,624
	Invesco Van Kampen American Fund	Mutual Fund	-	374,202
	Lord Abbett Bond Fund	Mutual Fund	-	285,729
	Fidelity Advisor Small Cap Fund	Mutual Fund	-	922,434
	RS Technology Fund	Mutual Fund	-	197,605
	PIMCO Commodity Real Return Strategy Fund	Mutual Fund	-	247,643
	Cohen & Steers Realty Fund	Mutual Fund	-	187,260
	American Funds Growth Fund of America	Mutual Fund	-	7,268,166
	Prudential Jennison Equity Income Fund	Mutual Fund	-	5,713,065
	SSgA High Yield Bond Fund	Mutual Fund	-	147,014
*	ING PIMCO Total Return Fund	Mutual Fund	-	1,663,451
	Templeton Global Bond Fund	Mutual Fund	-	213,824
	American Century International	Mutual Fund	-	407,509
	Lord Abbett Floating Rate Fund	Mutual Fund	-	90,405
*	Participant Loans Receivable	7.75% - 8.75%	-	1,252,183
	TOTAL		$ -	$ 30,453,149

* A party-in-interest as defined by ERISA

** Not required for participant-directed accounts

See independent auditors' report.

Attachment to 2013 Form 5500

Schedule H, line 4i - Schedule of Assets

(Held at End of Year)

JOHN PAUL MITCHELL SYSTEM 401 (K) & PROFIT SHARING

EIN#95-3504616

Plan#002

As Of December 31, 2013

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity date	(d)Cost	(e) Current Value
	AllianzGI NFJ Sm-Cap Vl Fd A	Registered Investment Company		$1,482,624
	American Century International	Registered Investment Company		$407,509
	American Funds EuroPacific R4	Registered Investment Company		$3,292,445
	American Funds Growth Fnd R4	Registered Investment Company		$7,268,166
	BlkRk Glbl AloctnInv A Sh	Registered Investment Company		$84,390
	Cohen & Steers Realty Shares	Registered Investment Company		$187,260
	Fidelity Advisr Sml Cp-Cl T	Registered Investment Company		$922,434
*	ING Money Market Fund - Cl A	Registered Investment Company		$4,400,416
*	ING PIMCO Total Rtn Port	Registered Investment Company		$1,663,451
	Invesco Amer Val Fd A	Registered Investment Company		$374,202
	Lazard Emrg Mkts Eqty Port Opn	Registered Investment Company		$2,222,784
	Lord Abbett Bnd Debture Cl R3	Registered Investment Company		$285,729
	Lord Abbett Floating Rate Fd A	Registered Investment Company		$90,406
	PIMCO CommodityRealRtn StFnd-A	Registered Investment Company		$247,643
	Prudential Jenn Eqty Inc Fd A	Registered Investment Company		$5,713,065
	RS Technology Fund-A	Registered Investment Company		$197,605
	SSgA High Yield Bond Fund Ins	Registered Investment Company		$147,014
	Templeton Global Bond Fund	Registered Investment Company		$213,824
		Participant Loans - Rates 7.75% to 7.75%		$1,252,183
	TOTAL			$30,453,149

* denotes party-in-interest

Column (d) is not required as the Plan's investments are totally participant directed.

Financial Statements

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN

DECEMBER 31, 2013 AND 2012

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HEDMAN PARTNERS

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Trustees of
John Paul Mitchell Systems 401(k) & Profit Sharing Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of John Paul Mitchell Systems 401(k) & Profit Sharing Plan, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by ING National Trust, the trustee, and ING Institutional Plan Services, LLC, on behalf of Reliance Trust Company, the former trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executed investment transactions from January 28, 2013 through December 31, 2013. The former trustee held the Plan's investment assets and executed investment transactions through January 27, 2013. The plan administrator has obtained a certification from the trustee and former trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the trustee and former trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule of assets (held at end of year) is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee and former trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Hedman Partners

Valencia, California
October 6, 2014

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31,

	2013	2012
ASSETS:		
Investments	$ 29,200,966	$ 24,186,508
Receivables		
Employer contributions	1,714,456	1,537,272
Employee deferrals	1,408	25,780
Notes receivable from participants	1,252,183	1,250,298
Total receivables	2,968,047	2,813,350
Net assets available for benefits	$ 32,169,013	$ 26,999,858

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

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2013

ADDITIONS TO NET ASSETS ATTRIBUTED TO:	
Investment income	
Interest and dividend income	$ 1,373,760
Net appreciation in fair value of investments	3,028,203
Total investment income	4,401,963
Interest income on notes receivable from participants	101,384
Contributions	
Employer profit sharing contributions	1,164,620
Employer non-elective safe harbor contributions	549,836
Employee deferrals	809,744
Rollovers	164,355
Total contributions	2,688,555
Total additions	7,191,902
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:	
Benefits paid to participants	2,010,614
Administrative expenses	4,503
Other	7,630
Total deductions	2,022,747
Net increase	5,169,155
NET ASSETS AVAILABLE FOR BENEFITS:	
Beginning of year	26,999,858
End of year	$ 32,169,013

The accompanying notes are an integral part of this financial statement.

NOTE A - DESCRIPTION OF THE PLAN

The following description of the John Paul Mitchell Systems 401(k) & Profit Sharing Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

1. General

The Plan is a defined contribution plan established by John Paul Mitchell Systems and JPMS Manufacturing, LLC (collectively, the "Employer") under the provision of Section 401(a) of the Internal Revenue Code ("IRC"). The Plan provides for a qualified cash or deferred arrangement as described in Section 401(k) of the IRC, for the benefit of eligible employees of the Employer. The Plan is administered by the management of the Employer and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Reliance Trust Company, (the "Former Trustee "), was responsible for the custody and management of the Plan's net assets available for sale and ING Institutional Plan Services, LLC was the recordkeeper through January 27, 2013. Effective January 28, 2013, ING National Trust, (the "Trustee"), replaced Reliance Trust Company and ING Institutional Plan Services, LLC as the trustee and recordkeeper, respectively.

2. Eligibility

All nonunion, nonleased employees who are U.S. residents may participate in the Plan. Employees may begin contributing to the Plan upon three months of employment with the Employer and attainment of age 18, prior to the entry dates of January 1, April 1, July 1 and October 1. Employees are eligible for Employer non-elective safe harbor contributions upon one year of service, as defined in the Plan agreement, and attainment of age 21, prior to the entry dates of January 1 and July 1. Employees who are employed on the last day of the Plan year are also eligible for Employer discretionary matching or profit sharing contributions.

3. Contributions

Participants may elect to contribute, on a tax-deferred basis, up to 92% of their eligible compensation, subject to certain limitations under the IRC. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may direct contributions, as desired, in any of several investments offered by the Trustee and may change their investment options daily. In addition, the Employer makes a non-elective safe harbor contribution equal to 3% of a participant's eligible wages.

The Employer may also make a discretionary matching and/or profit sharing contribution for each active and eligible participant, in an amount subject to determination on an annual basis by the Board of Directors of the Employer.

NOTE A - DESCRIPTION OF THE PLAN (Continued)

4. Participant Accounts

Each participant's account is credited with the participant's contributions, the Employer's non-elective safe harbor contribution, as well as allocations of the Employer's discretionary matching and/or profit sharing contribution and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

5. Notes Receivable From Participants

Participants may borrow from their account a minimum of $1,000 up to a maximum of 50% of their vested account balance (not to exceed $50,000 less the highest outstanding loan balance during the prior twelve-month period). Participants may have two loans outstanding at any time. All loans shall bear a fixed and reasonable rate of interest as determined by the plan administrator at the date of issuance. Loans must be paid back within five years of the date of issuance in accordance with terms established by the plan administrator. Loans for the purchase of a principal residence may be paid back over 15 years. Loans are due and payable upon the participant's termination of employment with the Employer.

6. Vesting

Employee contributions, rollovers, Employer non-elective safe harbor contributions, and actual earnings on all such contributions are fully vested at all times. Vesting of Employer discretionary matching contributions, profit sharing contributions and actual earnings thereon, are based upon the participant's years of service with the Employer as follows:

Years of Service	Percentage
Less than 1	0%
1	20%
2	40%
3	66%
4	80%
5	100%

NOTE A - DESCRIPTION OF THE PLAN (Continued)

7. Benefit Payments

Upon termination of employment with the Employer, a participant may receive a lump sum disbursement if his or her vested account balance is less than $1,000. If the vested account balance is between $1,000 and $5,000, a lump sum will be distributed directly to an individual retirement account unless the participant elects otherwise. For balances greater than $5,000, the participant is entitled to a lump sum amount. In the event of death or total and permanent disability, a participant's beneficiary or the participant is entitled to the total value of the participant's account. In addition, upon attaining age 59½, participants may receive distributions. Hardship withdrawals are also permitted if certain criteria are met.

8. Administrative Expenses

Administrative expenses incurred by the Trustee and Former Trustee in performance of their duties are paid from the assets of the Plan. Substantially all other administrative expenses of the Plan are paid by the Employer.

9. Forfeitures

Forfeitures of terminated participants' nonvested accounts are reallocated among the remaining participants in the proportion that each participant's eligible compensation bears to the total eligible compensation of all participants for the year. During the year ended December 31, 2013, $4,352 of forfeitures were allocated to participants. As of December 31, 2013 and 2012, there were $3,707 and $4,352, respectively, of unallocated forfeitures included in net assets available for benefits.

10. Plan Amendments and Termination

Although it has not expressed such intent, the Employer, by action of its Board of Directors, reserves the right, at any time, to amend or terminate the Plan. Upon termination of the Plan, further contributions to the Plan shall cease and all participants who are affected by such termination shall become 100% vested. Net assets available for benefits would be distributed to the participants based on each participant's interest in the Plan.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

3. Investment Valuation and Income Recognition

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

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 bought and sold as well as held during the year.

4. Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2013 and 2012. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

5. Excess Contributions Payable

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding increase to deductions from net assets.

6. Benefit Payments

Benefits are recorded when paid.

7. Subsequent Events

Plan management has evaluated subsequent events through October 6, 2014, the date the financial statements were available to be issued.

NOTE C - CERTIFICATION BY TRUSTEE AND FORMER TRUSTEE

The Plan Administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, all of the investment information, including investment income, included in the accompanying financial statements and supplemental schedule have been certified as complete and accurate by the Trustee and Former Trustee of the Plan.

NOTE D - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets
- quoted prices for identical or similar assets or liabilities in inactive markets
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

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

NOTE D - FAIR VALUE MEASUREMENTS (Continued)

The Plan invests in mutual funds, which are valued at the net asset value of shares held by the Plan at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013 and 2012:

December 31, 2013	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	$ 84,390	$ -	$ -	$ 84,390
Fixed income	3,055,576	-	-	3,055,576
Growth	17,196,109	-	-	17,196,109
Money market	4,400,416	-	-	4,400,416
Value	1,856,826	-	-	1,856,826
Other	2,607,649	-	-	2,607,649
Total mutual funds	29,200,966	-	-	29,200,966
Total investments at fair value	$ 29,200,966	$ -	$ -	$ 29,200,966

December 31, 2012	Level 1	Level 2	Level 3	Total
Mutual funds:				
Balanced	$ 31,312	$ -	$ -	$ 31,312
Fixed income	3,403,741	-	-	3,403,741
Growth	13,115,130	-	-	13,115,130
Money market	3,795,962	-	-	3,795,962
Value	1,424,226	-	-	1,424,226
Other	2,416,137	-	-	2,416,137
Total mutual funds	24,186,508	-	-	24,186,508
Total investments at fair value	$ 24,186,508	$ -	$ -	$ 24,186,508

NOTE E - INVESTMENTS

Investments that represent 5% or more of the Plan's total net assets available for benefits as of December 31 are as follows:

	2013	2012
ING Money Market Fund	$ 4,400,416	$ 3,795,962
American Funds Europacific Fund	3,292,445	2,610,726
American Funds Growth Fund of America	7,268,166	5,466,669
ING PIMCO Total Return Fund	1,663,451	1,843,180
Lazard Emerging Markets Portfolio Fund	2,222,784	2,182,465
Prudential Jennison Equity Income Fund	5,713,065	4,432,810

During the year ended December 31, 2013, the Plan's variable investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $3,028,203. These investments consist of mutual funds offered by the Trustee and Former Trustee.

NOTE F - RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Trustee and Former Trustee are parties-in-interest with respect to the Plan. Investments are held with and managed by the Trustee, and were held with and managed by the Former Trustee. Fees incurred by the Plan for the investment management services are included in net appreciation (depreciation) in fair value of the investments, as they are paid through revenue sharing rather than direct payment. Additional fees may be paid directly to the Trustee and Former Trustee or other parties-in-interest. Notes receivable and the related interest income are considered related party transactions.

NOTE G - INCOME TAX STATUS

The Internal Revenue Service ("IRS") has issued an opinion letter to the Trustee dated March 31, 2008, that the adopted prototype plan and related trust are designed in accordance with applicable sections of the IRC. Although the Plan did not seek a favorable determination letter with respect to the initial adoption of the plan document, nor with any plan amendments, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax exempt.

NOTE G - INCOME TAX STATUS (Continued)

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 tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the plan, and has concluded that as of December 31, 2013 and 2012, there are no uncertain positions taken or expect 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 2010.

NOTE H - RISKS AND UNCERTAINTIES

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

NOTE I - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for Plan benefits per the financial statements to the Form 5500 at December 31:

		2013
Net assets available for Plan benefits per the financial statements	$	32,169,013
Less: contributions receivable at year-end		(1,715,864)
Net assets available for Plan benefits per the Form 5500	$	30,453,149

The following is a reconciliation of changes in net assets available for Plan benefits per the financial statements to the Form 5500 for the year ended December 31, 2013:

Net increase in net assets available for Plan benefits per the financial statements	$	5,169,155
Less: contributions receivable at the current year end		(1,715,864)
Net increase in net assets available for Plan benefits per the Form 5500	$	3,453,291

NOTE J - SUBSEQUENT EVENTS

Effective August 15, 2014, the Employer initiated a change in the platform offered by the Trustee, which resulted in a black out period from August 12, 2014 through August 15, 2014. During this period, funds could not be withdrawn from the Plan or applied to the participant-selected investments. At the conclusion of the blackout period, participant account balances were transferred into funds comparable to those offered by the Trustee prior to the platform change.

SUPPLEMENTAL SCHEDULE FURNISHED
PURSUANT TO DOL REGULATIONS UNDER ERISA
YEAR ENDED DECEMBER 31, 2013

JOHN PAUL MITCHELL SYSTEMS 401(k) & PROFIT SHARING PLAN

EIN: 95-3504616 PLAN: 002

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2013

(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*
*	ING Money Market Fund	Mutual Fund	$ -	$ 4,400,416
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	American Century International	Mutual Fund	-	407,509
	Lord Abbett Floating Rate Fund	Mutual Fund	-	90,405
*	Participant Loans Receivable	7.75% - 8.75%	-	1,252,183
	TOTAL		$ -	$ 30,453,149

* A party-in-interest as defined by ERISA

** Not required for participant-directed accounts

See independent auditors' report.