

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 1.5em; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ 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:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>MURAD, INC. 401(K) SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/1994</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/1994</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/1994</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>MURAD, INC.</u> <u>2121 PARK PLACE, 1ST FLOOR</u> <u>EL SEGUNDO, CA 90245</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-4299353</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>310-726-0600</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>446190</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-4299353</u>	2c Plan Sponsor's telephone number <u>310-726-0600</u>	2d Business code (see instructions) <u>446190</u>	
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2d Business code (see instructions) <u>446190</u>					

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.	10/13/2015	MARGARETT GAAL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2015	MARGARETT GAAL
	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 ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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	5 409
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 350
a(2) Total number of active participants at the end of the plan year	6a(2) 358
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 70
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 428
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 428
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 296
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 2R 2T 3D	
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) ☒ 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) ☒ 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) ☒ 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) ☒ 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)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>MURAD, INC. 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MURAD, INC.</u>	D Employer Identification Number (EIN) <u>95-4299353</u>	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
<u>UNION BOND & TRUST COMPANY</u>

93-6274329

(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)

CITY NATIONAL BANK

95-1780067

(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?
15 19 21 25 34 37 38 59 60 62 63 64 65 71	RECORDKEEPER/T RUSTEE	9030	Yes ☒ No ☐	Yes ☒ No ☐	2624	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 ☐

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
CITY NATIONAL BANK	62	0
(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.	
CITY NATIONAL BANK 95-1780067	INTEREST ON EXCESS BALANCES (I.E. FLOAT) HELD AT FED RESERVE BANKS ESTIMATED TO BE FED FUNDS TARGET RATE (0% TO 0.25%) LESS THE COST OF FDIC INSURANCE PREMIUMS.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
US BANK	62	0
(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.	
US BANK 41-0255900	US BANK MAY RETAIN INCOME ON THE "FLOAT" AS COMP FOR CUSTODY SERVICES. THE FLOAT RATE IS GENERALLY NO MORE THAN THE FEDERAL FUNDS TARGET RATES OF INTEREST.	
(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

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:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>MURAD, INC. 401(K) SAVINGS PLAN</u>		B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MURAD, INC.</u>		D Employer Identification Number (EIN) <u>95-4299353</u>

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		3656
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)		7233
	(2) Participant contributions.....	1b(2)		35552
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	72603	91862
	(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)	218148	277174
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)	246041	267649
	(9) Value of interest in common/collective trusts	1c(9)	725009	699124
	(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)	9963797	11335254
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11225598	12717504

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	25	3513
k Total liabilities (add all amounts in lines 1g through 1j)	1k	25	3513

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	11225573	12713991
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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)	402140	
(B) Participants	2a(1)(B)	1245370	
(C) Others (including rollovers)	2a(1)(C)	73477	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1720987
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	10	
(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)	9318	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		9328
(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)	790562	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		790562
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	28358	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	28358	
(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)	59269	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		59269

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		5260
(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)		-158456
c Other income.....	2c		1
d Total income. Add all income amounts in column (b) and enter total.....	2d		2426951

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	927158	
(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)		927158
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)	11063	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)	312	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		11375
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		938533

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1488418
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) ☒ 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 ☐ No

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

(1) Name: MILLER & COMPANY, LLP

(2) EIN: 27-0030728

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:

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.).....

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.).....

	Yes	No	Amount
4a		X	
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.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
4d			
e Was this plan covered by a fidelity bond?	X		500000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	X		
4m			
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.	X		
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 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>MURAD, INC. 401(K) SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MURAD, INC.</u>	D Employer Identification Number (EIN) <u>95-4299353</u>

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	<u>0</u>
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): <u>95-1780067</u> <u>27-1228437</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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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): _____

Murad, Inc. 401(K) Savings Plan
Financial Statements
and
Supplemental Schedule
December 31, 2014

MILLER & COMPANY, LLP
141-07 20th Avenue, Suite 101
Whitestone, NY 11357

Murad, Inc. 401(K) Savings Plan
Financial Statements and Supplemental Schedule
December 31, 2014

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Schedule of Assets (Held at End of Year)	13

MILLER & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

141-07 20TH AVENUE, SUITE 101
WHITESTONE, NY 11357

TEL: (718) 767-0737
FAX: (718) 767-2703

INDEPENDENT AUDITORS' REPORT

To the Trustees of the Murad, Inc. 401(K) Savings Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Murad, Inc. 401(k) Savings Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013 and the related statement of changes in net assets available for benefits for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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 controls 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 our audits 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 4, which was certified by City National Bank, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2014 and 2013, and for the year ended December 31, 2014, that the information provided to the plan administrator by the 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-Supplemental schedule

The supplemental schedule on page 13 as of December 31, 2014 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 2014 financial statements and supplemental schedule other than that derived from the information certified by the trustees, 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.

A handwritten signature in cursive script that reads "Miller & Company, L.L.P.".

October 5, 2015
Whitestone, New York

Murad, Inc. 401(K) Savings Plan
Statements of Net Assets Available For Benefits
December 31,

	<u>2014</u>	<u>2013</u>
Assets:		
Investments (at fair value)	\$12,403,414	\$10,981,927
Cash	3,656	-
Receivables:		
Company contributions	7,233	-
Participant contributions	<u>35,552</u>	<u>-</u>
Total receivables	<u>42,785</u>	<u>-</u>
Notes receivable:		
Participant loans	<u>267,649</u>	<u>246,041</u>
 Total assets	 12,717,504	 11,227,968
Liabilities:	<u>3,513</u>	<u>-</u>
 Net assets reflecting investments at fair value	 <u>12,713,991</u>	 <u>11,227,968</u>
Adjustments from fair value to contract value for fully benefit-responsive investment contracts	 <u>-</u>	 <u>(2,370)</u>
Net assets available for benefits	<u>\$ 12,713,991</u>	<u>\$ 11,225,598</u>

See accompanying notes to financial statements.

Murad, Inc. 401(K) Savings Plan
Statement of Changes in Net Assets Available For Benefits
Year Ended December 31, 2014

ADDITIONS

Additions to net assets attributable to:

Investment Income:

Dividends	\$ 790,562
Interest	10
Net depreciation in fair value of investments	<u>(93,926)</u>
	696,646

Interest income on notes receivable from participants	<u>9,318</u>
---	--------------

Contributions

Participants	1,245,345
Employer	402,140
Rollover	<u>73,477</u>
	1,720,962

Total additions	<u>2,426,926</u>
-----------------	------------------

DEDUCTIONS

Deductions from net assets attributable to:

Benefits paid to participants	927,158
Administrative expenses	<u>11,375</u>

Total deductions	<u>938,533</u>
------------------	----------------

Net increase	1,488,393
--------------	-----------

Net assets available for benefits:

Beginning of year	<u>11,225,598</u>
End of year	<u>\$ 12,713,991</u>

See accompanying notes to financial statements.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 1 - Description of Plan

The following description of the Murad Inc. 401(K) Savings Plan ("Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

a) General

The Plan is a defined contribution plan covering eligible employees who have been employed by Murad, Inc. (formerly known as Skin Research Laboratories, Inc.) (collectively, the "Company" and the "Plan Sponsor") for 30 days and have attained 21 years of age. Meeting this criteria an employee is considered a "Participant". It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

b) Contributions

Each year, participants may defer up to 100% of their pretax annual compensation subject to the IRS limitations. There are two types of elective deferrals available to Participants: pre-tax deferral and Roth deferrals. Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan offers at a minimum 3 investment options.

The Plan provides for discretionary Company matching contributions and for the year ended December 31, 2014, the Company matched each participant's deferral at the rate of 50 percent of the participant's deferral up to a maximum of \$3,000. The Company matching contribution was \$402,140, net of forfeitures of \$16,347, for the year ended December 31, 2014. The Plan also provides for discretionary employer profit sharing contributions. There was none for 2014.

c) Participant Accounts

Each participant's account is credited with their respective contributions an allocation of the Company's contribution and Plan earnings and charges with any withdrawals of distributions requested by the participant, investment losses and allocation of administrative expenses, if applicable. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

d) Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on a 5-years graded vesting schedule.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 1 - Description of Plan (Continued)

e) Notes Receivable from Participants'

Participants may borrow from their fund accounts up to a maximum equal to the lesser of \$50,000 less the highest outstanding loan balance during the prior 12 months or 50 percent of their account balance. The loans are stated at the unpaid principal amount, secured by the balance in the participant's account and bear interest at 4.25 percent. Principal and interest are paid ratably through payroll deductions.

f) Payment of Benefits

Generally, on termination of service due to death, disability, retirement or other, a participant will receive a lump-sum amount equal to the value of the participant's vested interest in their account.

g) Forfeitures

Forfeitures of Company contributions may be used to pay Plan administrative expenses or to reduce future Company contributions. During the year ended December 31, 2014, forfeitures of \$9,597 were utilized to pay Plan administrative expenses and \$16,347 was utilized to reduce Company contributions. As of December 31, 2014 and 2013 forfeitures of \$17,757 and \$3,724 are available for future use.

h) Plan amendment

The plan has been amended effective January 1, 2013 to exclude bonuses for the purposes of determining contributions. This amendment had no effect on the financial statements.

Note 2 - Summary of Accounting Policies

a) Basis of Accounting

The financial statements of the Plan are prepared on the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts as well as the adjustment fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 2 - Summary of Accounting Policies (Continued)

b) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

c) Valuation of Income Recognition

The Plan's investments are stated 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. See note 3 for discussion of fair value measurements. Securities traded on the national securities exchange are valued at the last reported sales price on the last business day of the Plan year.

Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income are 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.

d) Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. 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, 2014 and 2013. If a participant ceases to make loan repayments and the plan administrator deems the participant loan to be in default, the participant loan balance is reduced and a benefit payment is recorded.

e) Payment of Benefits

Benefits are recorded when paid.

f) Operating Expenses

Except for certain administrative expenses, substantially all expenses of maintaining the Plan are paid by the Company. Investment related expenses are included in net appreciation of fair value of investments.

g) Date of Management's Review

Subsequent events were evaluated through October 5, 2015, which is the date the financial statements were available to be issued.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 3 - Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying Statement of Net Assets Available for Benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements

The fair value of mutual funds, is based on quoted net asset values of the shares held by the Plan at year-end. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Level 2 Fair Value Measurements

The fair values of common collective trusts are valued at the NAV (net asset value) of units of collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Level 3 Fair Value Measurement

BC Baseball Academy, LLC Partnership – The BC Baseball Academy, LLC is privately held and value based on an independent appraisal that utilizes unobservable inputs and therefore classified as Level 3 with in the Valuation hierarchy. The investment is self-directed and held by one participant in the Plan.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 3 - Fair Value Measurements (Continued)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2014 and 2013:

December 31, 2014

Description	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Mutual funds	\$11,427,116	\$11,427,116	\$ -	\$ -
Collective investment trust	699,124	-	699,124	-
BC Baseball Academy, LLC	<u>277,174</u>	<u>-</u>	<u>-</u>	<u>277,174</u>
Total	<u>\$12,403,414</u>	<u>\$11,427,116</u>	<u>\$ 699,124</u>	<u>\$ 277,174</u>

December 31, 2013

Description	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Mutual funds	\$10,036,400	\$10,036,400	\$ -	\$ -
Collective investment trust	727,379	-	727,379	-
BC Baseball Academy, LLC	<u>218,148</u>	<u>-</u>	<u>-</u>	<u>218,148</u>
Total	<u>\$10,981,927</u>	<u>\$10,036,400</u>	<u>\$727,379</u>	<u>\$ 218,148</u>

The investment in the BC Baseball Academy Company, LLC partnership is classified as a Level 3 investment. The table below sets forth a summary of changes in the fair value of the investment for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$218,148	\$ 100,776
Add: Realized/unrealized gains (losses)	59,026	117,372
Add: Investment income	-	-
Add: Issuances	-	-
Less: Distributions	<u>-</u>	<u>-</u>
	<u>\$ 277,174</u>	<u>\$ 218,148</u>

As of December 31, 2014 and 2013, guaranteed investment contracts are benefit-responsive and management estimates fair value to approximate contract value.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 4 - Information Prepared and Certified by Agent for Trustee

	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Investments, at fair value:		
Registered Investment Companies (Mutual Funds)		
American Funds EuroPacific Growth Fund	\$ 899,789*	\$ 882,316*
S&P 500 Index Fund	1,956,788*	1,633,600*
John Hancock III Disciplined Value Fund	949,380*	749,840*
PIMCO Total Return Fund	788,312*	866,575*
William Blair Growth Fund	1,218,133*	1,066,619*
Fidelity Advisor Freedom 2040 Fund	868,221*	812,966*
Morley Financial Fund - Collective Inc. Trust	699,124*	727,379*
Other (less than 5%)	<u>5,023,667</u>	<u>4,242,602</u>
	<u>\$ 12,403,414</u>	<u>\$ 10,981,927</u>

*Represents 5% or more of the Plan's net assets

Interest and dividends \$ 790,572

Net depreciation in fair value of investments \$ 93,926

For the year ended December 31, 2014, net depreciation of investments in registered investment companies (mutual funds) and common collective trusts was \$152,952 and net appreciation of the BC Baseball Academy, LLC partnership was \$59,026.

The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified as complete and accurate by OneAmerica Retirement Services LLC, the trustee. All investments are participant directed.

Other than the fair value of the guaranteed investment contract and the related adjustment from fair value to contract value for fully benefit-responsive investment contract, certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2014 and 2013 and net appreciation in fair value of investments, interest and dividends for the year ended December 31, 2014 was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by OneAmerica Retirement Services LLC (the trustee of the Plan). The contract value of the collective trust was certified by the trustee.

The following information included in the accompanying financial statements and supplemental schedule obtained from data that has been prepared and certified to as complete and accurate by the trustee.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 5 - Tax Status

The Plan was formed based on a prototype plan offered by the custodian, which is subject to a favorable tax opinion letter from the IRS dated March 31, 2008. The plan administrator did not elect to obtain an individual determination letter. Although no determination letter has been received, the plan administrator believes the Plan, as it is currently designed and operated, is in compliance with the applicable requirements of the Internal Revenue Code.

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 if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. 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 6 - Related Party and Party-in-Interest Transactions

Certain Plan investments are shares of mutual funds managed by OneAmerica Retirement Services LLC, which is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are included in net appreciation of fair value of investments.

Note 7 - Reconciliation to Form 5500

Below is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500 as of December:

	<u>2014</u>	<u>2013</u>
Net assets available for plan benefits per the financial Statements	\$12,713,991	\$11,225,598
Miscellaneous differences	<u>-</u>	<u>(25)</u>
Net assets available for plan benefits per the Form 5500	<u>\$12,713,991</u>	<u>\$11,225,573</u>

Certain Plan investments are shares of mutual funds managed by OneAmerica Retirement Services LLC as the trustee, as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services are included in net depreciation of fair value of investments.

Murad, Inc. 401(K) Savings Plan
Notes to Financial Statements
December 31, 2014

Note 9 - Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company contributions.

Note 10 - 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 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.

Supplemental Information

MURAD, INC. 401(k) SAVINGS PLAN
EIN 95-4299353 PLAN #001
SCHEDULE H, LINE 4i- SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2014

(a) Identity of Issuer, Borrower, <u>Lessor or Similar Party</u>	(c) Description of <u>Investments</u>	(e) Current <u>Value</u>
Cash	Cash	\$3,656
<u>Mutual Funds</u>		
American Funds American Balanced Fund	Mutual Funds	\$44,271
American Funds EuroPacific Growth Fund	Mutual Funds	899,789
American Funds New World Fund	Mutual Funds	101,539
* CNR Government Bond Fund Svcs	Mutual Funds	408,959
Columbia Acorn Fund	Mutual Funds	437,580
Columbia Acorn USA	Mutual Funds	119,470
Columbia Mid Cap Value Fund	Mutual Funds	130,732
Delaware Small Cap Value Fund	Mutual Funds	135,994
Dreyfus MidCap Index Fund	Mutual Funds	124,041
Dreyfus S&P 500 Index Fund	Mutual Funds	1,956,788
Dreyfus Small Cap Stock Index Fund	Mutual Funds	173,755
Eagle Small Cap Growth Fund	Mutual Funds	174,255
Fidelity Advisor High Income Advantage Fund	Mutual Funds	150,488
Fidelity Advisor Technology Fund	Mutual Funds	150,729
John Hancock Ill Disciplined Value Fund	Mutual Funds	949,380
PIMCO Total Return Fund	Mutual Funds	788,312
Franklin Templeton Global Bond Fund	Mutual Funds	168,060
William Blair Growth Fund	Mutual Funds	1,218,133
Fidelity Advisor Freedom Income Fund	Asset allocation mutual fund	158,718
Fidelity Advisor Freedom 2005 Fund	Asset allocation mutual fund	1,293
Fidelity Advisor Freedom 2010 Fund	Asset allocation mutual fund	7,278
Fidelity Advisor Freedom 2015 Fund	Asset allocation mutual fund	40,709
Fidelity Advisor Freedom 2020 Fund	Asset allocation mutual fund	567,179
Fidelity Advisor Freedom 2025 Fund	Asset allocation mutual fund	326,187
Fidelity Advisor Freedom 2030 Fund	Asset allocation mutual fund	449,628
Fidelity Advisor Freedom 2035 Fund	Asset allocation mutual fund	358,234
Fidelity Advisor Freedom 2040 Fund	Asset allocation mutual fund	868,221
Fidelity Advisor Freedom 2045 Fund	Asset allocation mutual fund	195,300
Fidelity Advisor Freedom 2050 Fund	Asset allocation mutual fund	229,041
Fidelity Advisor Freedom 2055 Fund	Asset allocation mutual fund	1,191
Morley Financial Stable Value Fund	Collective investment trust	699,124
Cash Equivalent	Money market fund	91,862
BC Baseball Academy, LLC	Partnership	277,174
* Plan Participants	Participant loans	267,649
		<u>\$ 12,674,719</u>

*Represents party-in-interest

SCHEDULE H, LINE 4i, SCHEDULE OF ASSETS (HELD AT END OF YEAR)*
DECEMBER 31, 2014

*See attached financial statements with auditor's report.