

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 2014 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>APPLEGATE OPERATING CO INC 401(K) PROFIT SHARING PLAN & TRUST</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>12/01/2008</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>12/01/2008</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>12/01/2008</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>APPLEGATE OPERATING CO INC</u> <u>8921 CANYON FALLS NBR 140</u> <u>TWINSBURG, OH 44087</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>26-3367984</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>330-405-7689</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>531310</u></td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) <u>26-3367984</u>	2c Plan Sponsor's telephone number <u>330-405-7689</u>	2d Business code (see instructions) <u>531310</u>	
2b Employer Identification Number (EIN) <u>26-3367984</u>					
2c Plan Sponsor's telephone number <u>330-405-7689</u>					
2d Business code (see instructions) <u>531310</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.	<u>10/15/2015</u>	<u>RON HUTCHESON</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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	
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	126
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)	240
a(2) Total number of active participants at the end of the plan year		6a(2)	227
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits.....		6c	5
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	232
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	232
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	19
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	0
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 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) (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) ☐ <u>0</u> 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 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 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>APPLEGATE OPERATING CO INC 401(K) PROFIT SHARING PLAN & TRUST</u>		B Three-digit plan number (PN) ► <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>APPLEGATE OPERATING CO INC</u>		D Employer Identification Number (EIN) <u>26-3367984</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	1	
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)		
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		351
	(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)		5394
	(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)	215130	241291
	(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	215131	247036

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 through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	215131	247036
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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)	0	
(B) Participants	2a(1)(B)	14136	
(C) Others (including rollovers)	2a(1)(C)	3581	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		17717
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	-2	
(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)	89	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		87
(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)	8668	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		8668
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	
(B) Other	2b(5)(B)	0	
(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)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		5721
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		32193

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	0	
(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)		0
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)	288	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		288
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		288

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		31905
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: **NOVOGRADAC & COMPANY LLP**

(2) EIN: **94-3108253**

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	
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	
e Was this plan covered by a fidelity bond?		X	
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	
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	
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	
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		
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	
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	
l Has the plan failed to provide any benefit when due under the plan?.....		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	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.	X		

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

October 14, 2015

To the Plan Administrator of

Applegate Operating Company, Inc. 401(k) Profit Sharing Plan and Trust

We have conducted a DOL limited-scope audit of the financial statements of Applegate Operating Company, Inc. 401(k) Profit Sharing Plan and Trust (the "Plan") for the year ended December 31, 2014 and have issued our report thereon dated October 14, 2015. As permitted by 29 CR 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 to those financial statements. Because of the significance of the information that we did not audit, we are unable to, and have not, expressed an opinion on those financial statements and supplemental schedule as a whole. We did, however, audit 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, in accordance with auditing standards generally accepted in the United States of America and found them to be presented in compliance with the DOL's Rules and Regulations of Reporting and Disclosure under ERISA. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 24, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

You are responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statements and are based on your knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair market value of investments is based on an evaluation of third party information obtained. We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

Applegate Operating Company, Inc. 401(k) Profit Sharing Plan and Trust
October 14, 2015

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of information certified by the trustees in Note 4 to the financial statements describes the change in net assets as certified by the trustees.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material misstatements that were brought to the attention of management as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of you and evaluate the form, content, and methods of preparing the information to determine that the information complies with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

This information is intended solely for the use of the Plan administrator and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,


NOVOGRADAC & COMPANY LLP

**APPLEGATE OPERATING COMPANY, INC. 401(k)
PROFIT SHARING PLAN AND TRUST**

Financial Statements

For the years ended December 31, 2014 and 2013

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Report of Independent Auditors

To the Trustees
Applegate Operating Company, Inc. 401(k) Profit Sharing Plan and Trust
Twinsburg, Ohio

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Applegate Operating Company, Inc. 401(k) Profit Sharing Plan and Trust (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013 and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

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 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 Mid Atlantic Trust Company and Reliance Trust Company, the trustees 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 Mid Atlantic Trust Company held the Plan's investment assets and executed investment transactions from January 1, 2014 to December 31, 2014 and that Reliance Trust Company held the Plan's investment assets and executed investment transactions as of December 31, 2013 and for the period January 1, 2013 to December 31, 2013. The Plan administrator has obtained certifications from the trustees as of and for the years ended December 31, 2014 and 2013, that the information provided to the Plan administrator by the trustees 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) 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 financial statements and supplemental schedule, other than that derived from the information certified by the 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.

Novogradac & Company LLP

October 14, 2015

APPLEGATE OPERATING COMPANY, INC. 401(k) PROFIT SHARING PLAN AND TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Investments, at fair value:		
Registered investment companies	\$ 241,291	\$ 214,803
Money market fund	351	328
Receivables:		
Notes receivable from participants	<u>5,394</u>	<u>-</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 247,036</u></u>	<u><u>\$ 215,131</u></u>

see accompanying notes to financial statements

APPLEGATE OPERATING COMPANY, INC. 401(k) PROFIT SHARING PLAN AND TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Interest and dividends	\$ 8,755	\$ 65
Net appreciation in fair value of investments:		
Registered investment companies	<u>5,721</u>	<u>46,565</u>
Total investment income	14,476	46,630
Contributions:		
Participants	14,136	19,641
Rollovers	<u>3,581</u>	<u>-</u>
TOTAL ADDITIONS	32,193	66,271
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	-	47,355
Administrative expenses	<u>288</u>	<u>325</u>
TOTAL DEDUCTIONS	<u>288</u>	<u>47,680</u>
NET INCREASE	31,905	18,591
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	<u>215,131</u>	<u>196,540</u>
End of year	<u><u>\$ 247,036</u></u>	<u><u>\$ 215,131</u></u>

see accompanying notes to financial statements

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. Description of plan

The following description of the Applegate Operating Company, Inc. 401(k) Profit Sharing Plan and Trust (the “Plan”) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan’s provisions.

The Plan is sponsored and administered by Applegate Operating Company, Inc. (the “Company”). The Plan covers all eligible employees of the Company and is governed by a Plan Agreement. During the year ended December 31, 2014, the Trustee of the plan transferred from Reliance Trust Company to Mid Atlantic Trust Company. Under the terms of a trust agreement between the Trustee and the Plan, the Trustee maintains trust funds on behalf of the Plan. The Plan is subject to provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

General

The Plan is a defined contribution plan established to provide voluntary retirement benefits and tax deferred savings opportunities to eligible employees of the Company. All current employees are eligible to participate in the Plan. Eligible employees may begin participating in the Plan when they are at least 21 years of age and have completed one year of eligible service with the Company.

Contributions

Participants may contribute, through tax-deferred salary reductions, an amount equal to the lesser of 75% of the participant’s compensation for the year or a statutory maximum as determined by the Internal Revenue Code. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Such contributions are 100% vested and non-forfeitable. Participant contributions are subject to certain limitations.

The Plan allows participants to make rollover contributions subject to special rules. Such contributions are 100% vested and non-forfeitable.

Funding policy

The employer’s funding policy is to make the contributions to the Plan within the time limits set by the Department of Labor.

Participant accounts

Upon enrollment in the Plan, a participant may direct contributions in any of the available investment options. Each participant's account is credited with the participant's salary reduction and rollover contributions and an allocation of the Company's contribution and plan earnings. Allocations are based on participant's compensation or account balances, as defined. The benefit to which a participant is entitled is the amount that can be provided from the participant's account. All investments are directed by plan participants.

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

1. Description of plan (continued)

Vesting

Participants are vested immediately in their elective employee pre-tax withholding account plus actual earnings thereon. Non-elective contributions are not and have never been provided by the Plan; therefore, there is no employee vesting schedule.

Notes receivable from participants

Participants may borrow from their fund accounts a minimum of \$500 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at 4.25% which is commensurate with local prevailing rates as determined by the Plan administrator at the time of the loan.

Payment of benefits

A participant's vested account balance becomes distributable upon termination of service due to disability, retirement, or death. Upon severance of employment for other than disability, retirement or death, benefits are paid to employees based on the amount allocated to their account. The participant or beneficiary will be paid in a lump sum. The distribution shall be made to the participant or beneficiary in accordance with the election of the participant. Participants may defer receiving these benefits until their normal retirement age if their vested account balance exceeds \$5,000.

Participants may also elect to withdraw in cash certain vested amounts within the deferred contribution account to the extent necessary to meet a financial hardship, in accordance with the regulations and rulings of the Internal Revenue Code. After a withdrawal, a stipulated period of time must lapse, as defined by the Plan, before a participant can make additional deferred contributions.

Termination provisions

The Company anticipates that the Plan will continue indefinitely; however, the Company reserves the right to terminate the Plan at any time by an action of its Board of Directors. In the event of termination of the Plan, participants shall be 100% vested in their accounts as of the date of termination and will receive a total distribution of the separate account.

2. Summary of significant accounting policies

Basis of accounting

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

Estimates

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

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

2. Summary of significant accounting policies (continued)

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. See Note 6 for discussion of fair value measurements.

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

Notes receivable from participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are charged directly to the borrowing participant's account and are included in administrative expenses when incurred. As of December 31, 2014 and 2013, no allowance for credit losses has been recorded. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

Payment of benefits

Benefits are recorded when paid.

Operating expenses

All expenses of maintaining the Plan are paid by the Plan or by the Company. For the years ended December 31, 2014 and 2013, \$288 and \$325, respectively, of expenses were paid by the Plan, while all remaining expenses were paid by the Company.

Statement presentation

The Plan presents in the statement of changes in net assets available for benefits the net appreciation (depreciation) in fair value of its investments which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Risks and uncertainties

The Plan holds 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 statements of net assets available for benefits.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation.

Subsequent events

The Plan has evaluated subsequent events through October 14, 2015, the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

3. Tax status

The Internal Revenue Service (“IRS”) has determined and informed the Company that the Plan is qualified and the trust established under the Plan is tax-exempt, under the appropriate sections 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 (or asset) if the Plan has taken an uncertain 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 had concluded that as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax period in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2013.

4. Information prepared and certified by the Trustee (unaudited)

The following information included in the accompanying financial statements and supplemental schedule was certified by Mid Atlantic Trust Company and Reliance Trust Company, the Trustee of the Plan as of December 31, 2014 and 2013, respectively, to be complete and accurate in accordance with ERISA rules and regulations. This information has not been audited by independent accountants.

	<u>2014</u>	<u>2013</u>
Investments, at fair value	\$ 241,642	\$ 215,131

Changes in net assets certified by the Trustees and not audited for the years ended December 31, 2014 and 2013, respectively, include the following:

	<u>2014</u>	<u>2013</u>
Additions:		
Net appreciation in fair value of investments	\$ 5,721	\$ 46,565
Interest and dividends	8,755	65
Deductions:		
Administrative expenses	288	325

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

5. Investments

The Plan's investments are held in a trust fund. Investments that represent 5% or more of the Plan's net assets are separately identified as follows:

	2014	2013
Alliance Bernstein Growth Fund Class R	\$ 19,185	\$ -
American Funds Global Growth Portfolio Class R-4	18,479	-
ClearBridge Aggressive Growth Fund Class R	65,635	-
Nationwide International Index Fund Class R	23,435	-
Federated Bond Fund Class A Shares	16,167	-
American Funds Growth and Income Portfolio Class R-3	67,430	-
AIG Government and Quality Bond	-	15,518
AIG Alliance Growth	-	15,348
AIG American Funds Growth - Income	-	60,082
AIG Van Kampen International Dividend Equity	-	23,780
AIG Alliance Small Mid Capital Value	-	49,936
AIG American Funds Global Growth	-	14,964

6. Fair value measurements

FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820) defines fair value and provides guidance for measuring fair value and expands disclosures about fair value measurements in accordance with accounting principles generally accepted in the United States of America. ASC 820 does not require any new fair value measurements, but rather applies to all accounting pronouncements that require or permit fair value measurement:

ASC 820 provides the framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

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

Level 2 – Inputs other than quoted prices that are observable for the assets or liabilities and 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.

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

6. Fair value measurements (continued)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2014 and 2013.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. 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.

Money market funds: Valued at \$1 per unit including applicable interest and fees.

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

The following table presents the Company's assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2014 and 2013:

	Level 1	Level 2	Level 3	Total
Money Market Fund	351	\$ -	\$ -	\$ 351
Equity Fund	118,211	-	-	118,211
International Equity Fund	33,610	-	-	33,610
Fixed Income Fund	18,641	-	-	18,641
Balanced Fund	70,829	-	-	70,829
	<u>\$ 241,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,642</u>

APPLEGATE OPERATING COMPANY, INC. 401(K) PROFIT SHARING PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

6. Fair value measurements (continued)

	Fair Value Measurements as of December 31, 2013			
	Level 1	Level 2	Level 3	Total
Money Market Fund	\$ 328	\$ -	\$ -	\$ 328
Bond	17,397	-	-	17,397
Value	9,750	-	-	9,750
Growth	43,618	-	-	43,618
Equity	87	-	-	87
Foreign	33,783	-	-	33,783
Growth and Income	60,082	-	-	60,082
Small/Mid Cap	49,936	-	-	49,936
Large Blend	150	-	-	150
	<u>\$ 215,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,131</u>

7. Qualified non-elective contributions

In any plan year in which the Plan cannot satisfy one or more of the non-discrimination tests, the Company may make a qualified non-elective contribution to the trust in an amount sufficient to enable the Plan to satisfy such tests. For the years ended December 31, 2014 and 2013, the Company made no qualified non-elective contributions.

8. Administration of plan assets

Contributions to the Plan are held and managed by the Trustee, which invests cash received, interest, and dividend income and makes distributions to participants. The Trustee also administers the payment of interest and principal on participant loans, which is reimbursed to the Trustee through contributions as determined by the Company. Certain administrative functions are performed by officers or employees of the Company or its subsidiaries. No such officer or employee received compensation from the Plan.

9. Party-in-interest transactions

Notes receivable from participants qualify as party-in-interest transactions and were \$5,394 and \$0 as of December 31, 2014 and 2013, respectively.

SUPPLEMENTAL SCHEDULE

APPLEGATE OPERATING COMPANY, INC. 401(k) PROFIT SHARING PLAN AND TRUST
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)
December 31, 2014
Plan #001, EIN #26-3367984

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment	(d) Cost**	(e) Current value
	Fidelity Market Trust: Retirement Money Market	Money Market Fund	**	\$ 351
	Invesco Growth and Income Fund Class A	Mutual Fund	**	25
	Invesco Comstock Fund Class A	Mutual Fund	**	119
	AllianceBernstein Growth Fund Class R	Mutual Fund	**	19,185
	AllianceBernstein Discovery Value Fund Class R	Mutual Fund	**	1,524
	American Funds Global Growth Portfolio Class R-4	Mutual Fund	**	18,479
	Columbia Large Cap Enhanced Core Fund Class R	Mutual Fund	**	37
	Davis New York Venture Fund Class A	Mutual Fund	**	9,597
	American Funds The Growth Fund of America Class R-3	Mutual Fund	**	3,387
	ClearBridge Aggressive Growth Fund Class R	Mutual Fund	**	65,635
	MFA Massachusetts Investors Trust Class R3	Mutual Fund	**	193
	Oppenheimer Discovery Mid Cap Growth Fund A	Mutual Fund	**	5
	Voya Corporate Leaders 100 Fund Class R	Mutual Fund	**	25
	Nationwide International Index Fund Class R	Mutual Fund	**	23,435
	Templeton Foreign Fund Class A	Mutual Fund	**	10,175
	Federated Bond Fund Class A Shares	Mutual Fund	**	16,167
	Franklin High Income Fund Class R	Mutual Fund	**	7
	MFS Bond Fund Class R2	Mutual Fund	**	314
	PIMCO Total Return Fund Class A	Mutual Fund	**	2,153
	American Funds Growth and Income Portfolio Class R-3	Mutual Fund	**	67,430
	American Funds Balanced Portfolio Class R-3	Mutual Fund	**	3,394
	MFS Total Return Fund Class R3	Mutual Fund	**	5
*	Participant Loans	4.25%	-0-	5,394

Note:

*Identified as a party-in-interest

**Cost is not required to be disclosed for participant directed investments.