

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500-SF.	OMB Nos. 1210-0110 1210-0089 2015 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	<input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions) <input type="checkbox"/> a one-participant plan <input type="checkbox"/> a foreign plan
B This return/report is	<input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report <input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)
C Check box if filing under:	<input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> DFVC program <input type="checkbox"/> special extension (enter description)

Part II Basic Plan Information —enter all requested information			
1a Name of plan <u>MERCENT CORPORATION 401(K) PROFIT SHARING PLAN & TRUST</u>	1b Three-digit plan number (PN) ►	<u>001</u>	
	1c Effective date of plan	<u>01/01/2005</u>	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MERCENT CORPORATION</u> <u>2701 1ST AVE STE 500</u> <u>SEATTLE, WA 98121-1179</u>	2b Employer Identification Number (EIN) <u>20-2099054</u> 2c Sponsor's telephone number <u>206-448-2800</u> 2d Business code (see instructions) <u>541519</u>		
3a Plan administrator's name and address <input checked="" type="checkbox"/> 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		
5a Total number of participants at the beginning of the plan year	5a	<u>102</u>	
b Total number of participants at the end of the plan year	5b	<u>102</u>	
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c	<u>16</u>	
d(1) Total number of active participants at the beginning of the plan year	5d(1)	<u>91</u>	
d(2) Total number of active participants at the end of the plan year	5d(2)	<u>91</u>	
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	<u>0</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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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	<u>Filed with authorized/valid electronic signature.</u> Signature of plan administrator	<u>09/01/2016</u> Date	<u>ERIC BEST</u> 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
Preparer's name (including firm name, if applicable) and address (include room or suite number) <u>PAYCHEX</u>			Preparer's telephone number <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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 III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets.....	7a	2156665	709034
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	2156665	709034
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	0	
(2) Participants	8a(2)	15053	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	31663	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		46716
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	1490224	
e Certain deemed and/or corrective distributions (see instructions)	8e	0	
f Administrative service providers (salaries, fees, commissions).....	8f		
g Other expenses	8g	4123	
h Total expenses (add lines 8d, 8e, 8f, and 8g).....	8h		1494347
i Net income (loss) (subtract line 8h from line 8c)	8i		-1447631
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2T 3D

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

Part V Compliance Questions

10 During the plan year:		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X		
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X		
c Was the plan covered by a fidelity bond?	10c		X		
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X		
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X		
f Has the plan failed to provide any benefit when due under the plan?	10f		X		
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X			
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X		
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.....	10i				
j Did the plan trust incur unrelated business taxable income?	10j				

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)..... ☐ Yes ☒ No

11a Enter the unpaid minimum required contribution for all years from Schedule SB (Form 5500) line 40..... **11a**

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA?... ☐ Yes ☒ No

(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)

a 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 letter ruling granting the waiver. Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year	12b	
c Enter the amount contributed by the employer to the plan for this plan year	12c	
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d	
e Will the minimum funding amount reported on line 12d be met by the funding deadline?		<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? ☒ Yes ☐ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a** 0

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? ☐ Yes ☒ No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII Trust Information

14a Name of trust	14b Trust's EIN
14c Name of trustee or custodian	14d Trustee's or custodian's telephone number

Part IX IRS Compliance Questions

15a Is the plan a 401(k) plan? ☐ Yes ☐ No

15b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)? ☐ Design-based safe harbor method ☐ ADP/ACP test

15c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))? ☐ Yes ☐ No

16a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b): ☐ Ratio percentage test ☐ Average benefit test

16b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☐ No

17a Has the plan been timely amended for all required tax law changes? ☐ Yes ☐ No ☐ N/A

17b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code ____ (See instructions for tax law changes and codes).

17c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.

17d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.

18 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)? ☐ Yes ☐ No

19 Were in-service distributions made during the plan year? ☐ Yes ☐ No

If "Yes," enter amount **19**

20 Were required minimum distributions made to 5% owners who have attained age 70 ½ (regardless of whether or not retired), as required under section 401(a)(9)? ☐ Yes ☐ No ☐ N/A

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

Complete all entries in accordance with the instructions to the Form 5500-SF.

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

- A This return/report is for: ☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) (filers checking this box must attach a list of participating employer information in accordance with the form instructions)
- B This return/report is: ☐ a one-participant plan ☐ the first return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
- C Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ special extension (enter description)
- ☐ DFCV program

Part II Basic Plan Information—enter all requested information

1a Name of plan	MERCENT CORPORATION
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)	MERCENT CORPORATION 2701 1ST AVE STE 500 SEATTLE WA 98121-1179
3a Plan administrator's name and address	<input checked="" type="checkbox"/> Same as Plan Sponsor
3b Administrator's EIN	541519
3c Administrator's telephone number	
4b EIN	
4c PN	
5a Total number of participants at the beginning of the plan year	102
b Total number of participants at the end of the plan year	102
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	16
d(1) Total number of active participants at the beginning of the plan year	91
d(2) Total number of active participants at the end of the plan year	91
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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	Signature of plan administrator	Date	9/1/2015	ERIC T. BESS
SIGN	Signature of employer/plan sponsor	Date		
HERE	Enter name of individual signing as employer or plan sponsor	Enter name of individual signing as plan administrator	Preparer's name (including firm name, if applicable) and address (include room or suite number)	Preparer's telephone number

Part III Financial Information

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (QPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERIISA section 4021)? ☒ Yes ☐ No ☒ Not Determined

Part IV Plan Characteristics

7 Plan Assets and Liabilities			
a Total plan assets	7a	2156665	709034
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	2156665	709034
8 Income, Expenses, and Transfers for this Plan Year			
a Contributions received or receivable from:			
(1) Employers	8a(1)	0	
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h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		1494347
i Net income (loss) (subtract line 8h from line 8c)	8i		-1447631
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- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2T 3D
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part VI Pension Funding Compliance

10 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? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a	X			
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b	X			
c Was the plan covered by a fidelity bond?	10c	X			
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d	X			
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e	X			
f Has the plan failed to provide any benefit when due under the plan?	10f	X			
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X			0
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X		
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	10i				
j Did the plan trust incur unrelated business taxable income?	10j				

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below.) ☐ Yes ☒ No

11a Enter the unpaid minimum required contribution for current year from Schedule SB (Form 5500) line 40. **11a**

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERIISA? ☐ Yes ☒ No

(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	
a 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 letter ruling granting the waiver.	Month _____ Day _____ Year _____
b Enter the minimum required contribution for this plan year.	12b _____

c Enter the amount contributed by the employer to the plan for this plan year.	12c _____
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount).	12d _____
e Will the minimum funding amount reported on line 12d be met by the funding deadline?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
If "Yes," enter the amount of any plan assets that reverted to the employer this year.	13a _____
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
c 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.)	13c(1) Name of plan(s): _____
	13c(2) EIN(s) _____
	13c(3) PN(s) _____

Part VIII Trust Information

14a Name of trust	14b Trust's EIN
14c Name of trustee or custodian	14d Trustee's or custodian's telephone number

Part IX IRS Compliance Questions

15a Is the plan a 401(k) plan?	Yes <input type="checkbox"/> No <input type="checkbox"/>
15b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	Design-based safe harbor method <input type="checkbox"/> ADP/ACP test <input type="checkbox"/>
15c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(iii))?	Yes <input type="checkbox"/> No <input type="checkbox"/>
16a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	Ratio percentage test <input type="checkbox"/> Average benefit test <input type="checkbox"/>
16b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	Yes <input type="checkbox"/> No <input type="checkbox"/>
17a Has the plan been timely amended for all required tax law changes?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
17b Date the last plan amendment/revision for the required tax law changes was adopted.	Enter the applicable code _____ (See instructions for tax law changes and codes).
17c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter.	_____ and the letter's serial number _____
17d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter.	_____
18 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERIISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
19 Were in-service distributions made during the plan year?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If "Yes," enter amount.	19 _____
20 Were required minimum distributions made to 5% owners who have attained age 70 1/2 (regardless of whether or not retired), as required under section 401(a)(9)?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>