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

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:
- [X] 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)
- [ ] a one-participant plan
- [ ] a foreign plan

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 Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
MURAD, INC. DEFINED BENEFIT PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 01/01/2013

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)
MURAD, INC.

2121 PARK PLACE, 1ST FLOOR
EL SEGUNDO, CA 90245

2b Employer Identification Number (EIN) 95-4299353

2c Sponsor's telephone number 310-726-3251

2d Business code (see instructions) 446190

3a Plan administrator's name and address [X] 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**	35
b Total number of participants at the end of the plan year	**5b**	44
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	**5c**	
d(1) Total number of active participants at the beginning of the plan year	**5d(1)**	35
d(2) Total number of active participants at the end of the plan year	**5d(2)**	2
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**5e**	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 HERE	Filed with authorized/valid electronic signature.	10/10/2016	RICHARD MURAD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/10/2016	RICHARD MURAD
	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)

Preparer's telephone number

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) [X] 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.) [X] 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)? [X] 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	1655446	1604046
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	1655446	1604046
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)	851	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	-28665	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		-27814
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	851	
e Certain deemed and/or corrective distributions (see instructions)	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	0	
g Other expenses	8g	22735	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		23586
i Net income (loss) (subtract line 8h from line 8c)	8i		-51400
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:
1A 1D

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			500000
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				
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) [X] Yes [ ] No

11a Enter the unpaid minimum required contribution for all years from Schedule SB (Form 5500) line 40 **11a** 0

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 [X] 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?		☐ Yes ☐ No ☐ 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**	
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

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
MURAD, INC. DEFINED BENEFIT PLAN

B Three-digit plan number (PN) ▶ 003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
MURAD, INC.

D Employer Identification Number (EIN)
95-4299353

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 31 Year 2015

2 Assets:

a Market value	**2a**	1603153
b Actuarial value	**2b**	1603153

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	0	0	0
b For terminated vested participants	42	510510	510510
c For active participants	2	233875	1169373
d Total	44	744385	1679883

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.42%
6 Target normal cost	**6**	0

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/06/2016
Date

GEORGE H. MENKES
Type or print name of actuary

14-02823
Most recent enrollment number

IMPROVED FUNDING TECHNIQUES INC.
Firm name

516-887-4433
Telephone number (including area code)

211 BROADWAY
LYNBROOK, NY 11563
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of -3.83%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		157616
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.64%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		157616
	d Portion of (c) to be added to prefunding balance		157616
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	157616

Part III Funding Percentages

14	Funding target attainment percentage	14	87.86 %
15	Adjusted funding target attainment percentage	15	87.92 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	189.17 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
02/12/2015	361	0			
04/20/2015	490	0			
			Totals ► 18(b)	851	18(c)

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	893

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.72 %	6.11 %	6.81 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	0
22 Weighted average retirement age	**22**	63

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	0
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	244465	40655
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	40655

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	40655	40655

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	893

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	893
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	893
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

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

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan	B Three-digit plan number (PN) ▶	
MURAD, INC. DEFINED BENEFIT PLAN		003

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF	D Employer Identification Number (EIN)
MURAD, INC.	95-4299353

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [X] 100 or fewer [ ] 101-500 [ ] More than 500

Part I Basic Information

1 Enter the valuation date: Month 12 Day 31 Year 2015

2	Assets:		
	a Market value	2a	1,603,153
	b Actuarial value	2b	1,603,153

3 Funding target/participant count breakdown:	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	0	0	0
b For terminated vested participants	42	510,510	510,510
c For active participants	2	233,875	1,169,373
d Total	44	744,385	1,679,883

4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]		
	a Funding target disregarding prescribed at-risk assumptions	4a	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5	Effective interest rate	5	6.42 %
6	Target normal cost	6	0

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary

10/6/16

Date

GEORGE H. MENKES

Type or print name of actuary

14-02823

Most recent enrollment number

IMPROVED FUNDING TECHNIQUES INC.

Firm name

(516) 887-4433

Telephone number (including area code)

211 BROADWAY

US LYNBROOK NY 11563

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of -3.83%	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		157,616
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.64 %		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		157,616
	d Portion of (c) to be added to prefunding balance		157,616
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	157,616

Part III Funding Percentages

14	Funding target attainment percentage	14	87.86 %
15	Adjusted funding target attainment percentage	15	87.92 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	189.17 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
02/12/2015	361				
04/20/2015	490				
			Totals ▶ 18(b)	851	18(c)

19	Discounted employer contributions -- see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	893

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used To Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.72 %	6.11 %	6.81 %	

b Applicable month (enter code) **21b** 0

22 Weighted average retirement age **22** 63

23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment . . . . . ☐ Yes ☒ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment . . . . . ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment . . . . . ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	0
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	244,465	40,655
b Waiver amortization installment	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month_____ Day_____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	40,655

	Carryover balance	Prefunding Balance	Total balance
35 Balances elected for use to offset funding requirement	0	40,655	40,655

36 Additional cash requirement (line 34 minus line 35)	**36**	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	893

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	893
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	893
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected . . . . . ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made . . . . . ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

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Schedule SB, Part V – Summary of Plan Provisions
As of December 31, 2015

Plan Effective Date	January 1, 2013
Plan Year	From January 1 to December 31
Eligibility	All employees not excluded by class are eligible to enter on the January 1 or July 1 coincident with or following the completion of the following requirements: 1 Year of service Minimum Age 21 Notwithstanding the above, Employees other than Bonnie Anvari, Josefina Avalos, Lindsey Barrett, Jessica Becerra, Carrie Behen, Michelle Bullock, Angelica Campanero, Laura Carter, Victor Castillo, Andrew Cho, Celia Contreras, Ashley Cox, Erika Diestel, Joseph Dominguez, Jessica Enguerra, Kimberly Faagata, Michael Flores, Moises Flores, Monique Flores, Emmanuel Garcia, Steven Green, Sophia Jimenez, Jennifer Jones, Yeshume Limenih, Diana Long, Leticia Lopez, Christopher Luna, Lauren Macias, Veronica Maggiore, Anselmo Marquez, Chanel Meighan, Michelle Mejia, Alvaro Melendez, Doris Murad, Hilarie Murad, Howard Murad, Jeffrey Murad, Richard Murad, Katie-Brice Myers, Andy Nguyen, Sidnia Neal, Patricia Nobel, Wendy Orellana, Lizeth Osorio, McKenzie Penton, Christian Perez, Lexi Perry, Sabina Quintanilla, Stephanie Rath, Francine Rivas, Jonathan Salazar, Melissa Stoudamire, Ian Talmore, Rebecca Vega, Rey Velazquez, Vasthy Villalobos, Nicole Vint, Whitney Viola, Randi Voelker and Caroline Walkup shall not be eligible to participate in the Plan.
Normal Retirement Age	All participants are eligible to retire with their full retirement benefit on the later of the following:

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	Attainment of age 63 Completion of 5 years of participation
Normal Retirement Benefit	Upon attainment of normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following: The Accrued Benefit of the Participant as of March 2, 2015 based on his or her compensation to that date The benefit as determined above shall be offset by an Actuarially Equivalent Benefit consisting of the Participant's vested account balance under the Murad, Inc. Profit Sharing Plan. For purposes of determining a Participant's Accrued Benefit the offset shall be applied after determining the Accrued Benefit without regard to the offset.
Normal Form of Benefit	A benefit payable for the life of the participant
Termination Benefit	Upon termination for any reason other than death, disability or retirement, a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule: Credited Years – Vested Percent 1 – 0% 2 – 20% 3 – 40% 4 – 60% 5 – 80% 6 – 100% Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

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	Years before the effective date Years with less than 1000 hours
Death Benefit	Proceeds of any insurance policies on the life of the participant plus the actuarial equivalent of the accrued benefit earned to date of death less the cash value of such policies

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SCHEDULE SB, LINE 22 – DESCRIPTION OF WEIGHTED AVERAGE RETIREMENT AGE

Age	Rate of Retirement
63	100%

The methodology used to compute the weighted average retirement was to add up each active participant's Assumed Retirement Age and divide by the number of active participants.

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SCHEDULE SB, LINE 26 - SCHEDULE OF ACTIVE PARTICIPANT DATA

AGE SERVICE ANALYSIS

AGE/ SVC	<25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	TOTAL
0	0	0	0	0	0	0	0	0	0	0	0
1	0	0	0	0	0	0	0	0	0	0	0
2	0	0	0	0	0	0	0	0	0	0	0
3	0	0	0	0	0	0	0	0	0	0	0
4	0	0	0	0	0	0	0	0	0	0	0
5	0	0	0	0	0	0	0	0	0	0	0
6-10	0	0	0	0	0	0	0	0	0	0	0
11-15	0	0	0	0	0	0	0	0	0	0	0
16-20	0	0	0	0	0	0	0	0	0	0	0
21-25	0	0	0	0	0	1	0	0	0	0	1
26+	0	0	0	0	0	0	0	0	0	1	1
TOTAL	0	0	0	0	0	1	0	0	0	1	

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SCHEDULE SB, LINE 19 – DISCOUNTED EMPLOYER CONTRIBUTIONS

Date	Amount	Year Applied to	Applicable Effective Interest Rate	Interest-Adjusted Contribution
02/12/15	361	2015	6.42%	381
04/20/15	490	2015	6.42%	512

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SCHEDULE SB, LINE 32 – SCHEDULE OF AMORTIZATION BASES

Type of Base	Present Value Of Remaining Installments	Valuation Date as of which Base Was Established	# Years Remaining Amortization Period	Amortization Installment
SHORTFALL	244,465	12/31/15	7	40,655

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Schedule SB, Part V – Statement of Actuarial Assumptions/Methods
As of December 31, 2015

Actuarial Cost Method	Under the provisions of the Pension Protection Act of 2006 (PPA), a single Actuarial Cost Method is prescribed for the annual determination of the range of acceptable Employer contributions for all tax-qualified defined benefit retirement plans subject to the funding requirements of IRC §430 as added by PPA. Under this method, the actuarially determined present value of benefits accrued as of the beginning of the plan year, referred to as the 'Funding Target', is determined on the valuation date. The value of additional benefits accrued or expected to be accrued during the plan year, known as the 'Target Normal Cost' is also determined. Simply stated, and unless the plan is considered fully funded, the Employer's minimum funding requirement for the year consists of the Target Normal Cost along with a payment toward amortizing any shortfall between the Funding target and the adjusted actuarial value of the Plan's assets.	
Asset Valuation Method	Market Value	
Actuarial Assumptions		
Interest: Based upon anticipated date of benefit payment measured from the valuation date	For I.R.C.§430	For I.R.C. §404(o)
Within the first 5 years	4.72%	1.39%
Beyond 5, not more than 20 years	6.11%	3.98%
More than 20 years	6.81%	5.00%
Mortality:		
Pre-retirement	None	
Post-retirement	2015 Static Combined Mortality Table for Small Plans for Males and for Females	
Assumed Retirement Age	Later of Age 63, or the 5th Anniversary of Participation in the Plan	
Form of Benefit Payment	Joint and 100% Survivor Life Annuity	

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Pre-retirement Withdrawal	None
Salary Increases	None
Disability Incidence	None
Expenses	Assumed to be paid outside of the trust fund