

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 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 01/01/2014 and ending 12/31/2014		
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)
	☐ 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:	☒ Form 5558	☐ automatic extension
	☐ special extension (enter description)	☐ DFVC program

Part II Basic Plan Information —enter all requested information		
1a Name of plan REHAB CONTINUUM CARE 401(K) PROFIT SHARING PLAN	1b Three-digit plan number (PN) ►	001
	1c Effective date of plan 01/01/2007	
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) REHAB CONTINUUM CARE, LLC 1798 LENAPE UNIONVILLE ROAD WEST CHESTER, PA 19382	2b Employer Identification Number (EIN) 51-0265872	
	2c Sponsor's telephone number 302-593-2864	
	2d Business code (see instructions) 621340	
	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	
5a Total number of participants at the beginning of the plan year	5a	32
b Total number of participants at the end of the plan year.....	5b	3
c Number of participants with account balances as of the end of the plan year (defined benefit plans do not complete this item)	5c	3
d(1) Total number of active participants at the beginning of the plan year.....	5d(1)	27
d(2) Total number of active participants at the end of the plan year.....	5d(2)	0
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.	08/25/2017	NICOLE SCHMIDT
	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
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

- 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	308187	96351
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	308187	96351
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	395	
(2) Participants	8a(2)	1103	
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	15182	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		16680
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	228086	
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	430	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		228516
i Net income (loss) (subtract line 8h from line 8c)	8i		-211836
j Transfers to (from) the plan (see instructions)	8j		

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 2K 2S 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	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		31000
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			

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 current year from Schedule SB (Form 5500) line 39 **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?.....	☐ 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 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 (optional)

14a Name of trust	14b Trust's EIN

Department of Labor

4425 North Market Street

Wilmington, DE 19801

Re: Rehab Continuum Care, LLC

23 North Valley Stream Circle

Newark, DE 19702

Tax Period: 2014 & 2015

To Whom it May Concern:

We are writing to request that the penalty for filing a 5500 form after the due date is abated for the 2014 and 2015 tax years. A discussion of the underlying facts, supportive laws and analysis, and the basis for our conclusion appears below.

FACTS

Rehab Continuum Care, LLC, now defunct since 2013, herein Company, contacted ADP about a separate issue. ADP is a national payroll company that also was the administrator of the Company's Safe Harbor Plan when the Company was in business. At that time the Company contacted ADP, an ADP representative informed the Company of the need to file a 5500 form for the tax years 2014 and 2015. ADP stated they had attempted to notify the Company of the need to file the forms, however, since the Company was defunct since the year 2013, ADP had a defunct email address. As soon as the Company realized the forms required filing, the Company began working with ADP to write the required letter and file the 5500 forms.

LAW

I. Reasonable Cause

Penalties assessed for late filings can be excused upon a showing of "reasonable cause and lack of willful neglect." A failure to file the 5500 form within the time prescribed will be considered to be due to reasonable cause to the extent that the Company has made a satisfactory showing that they exercised ordinary business care and prudence. The court in *Orient Investment and Finance Co. v. Commissioner*, 36 AFTR 818, 166 F.2d 601 (1948) stated that "reasonable cause means nothing more than the exercise of ordinary business care and prudence."

Further, the Internal Revenue Manual states that "[p]enalties support voluntary compliance by assuring compliant taxpayers that tax offenders are identified and penalized." The penalties imposed under IRC 6651(a)(1) & (2) do not apply if the Company can show they acted with reasonable cause and not willful neglect. A company demonstrates that reasonable cause exists to

abate penalties when the Company can show they exercised ordinary care and business prudence in figuring-out their obligations, but nevertheless circumstances resulted in them being unable to comply with those obligations.

Ordinary business care and prudence is established when a company makes provisions for their obligations based upon reasonably foreseeable events. The Company can demonstrate they acted with ordinary business care and prudence if they can show legitimate reasons for any non-compliance.

To show ordinary business care and prudence a company should provide an explanation that corresponds with the dates of non-compliance. A company can also demonstrate ordinary business care and prudence by demonstrating that they have a history of compliance with the tax laws. Lastly, if a company can show that circumstances were beyond their control, they have demonstrated that they acted with ordinary business care and prudence.

ANALYSIS

In the instant case, the Company exercised reasonable care and prudence and was not willful or negligent in failing to full comply with filing obligations. The Company showed that had they been aware of the need to file the 5500 form earlier, such filing would have occurred. In addition, the Company demonstrated a degree of diligence by hiring ADP to handle and assist with proper filling of forms for the Companies Safe Harbor Plan.

The Company has shown that it meets the standard of acting with ordinary business care and prudence in complying with the filing obligations, but circumstances including that the Company is defunct and was not aware of the need to file the 5500 form for those years following its closing had prevented timely filing.

In addition, immediately upon the Company's discovery of the non-compliance, the Company sprang into action and began taking the necessary steps to rectify the late filing. The Company made every reasonable effort to diligently rectify the problem as soon as the Company discovered that it existed.

CONCLUSION

The Company clearly had no intention of disobeying the filing statutes. The error occurred because the Company was not aware of the need to file a 5500 form once the business was closed. The Company would contend that requiring the Company to pay penalties and interest on those penalties would not support voluntary compliance by the Company, as there was clearly no willful intent to disobey the filing statutes.

Based on the extenuating facts and circumstances presented above, the Company respectfully requests abatement of all penalties and interest associated with its late filing for the 2014 and 2015 tax years.