# 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 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

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**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.)
- ☒ 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
THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 10/01/2012

**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)
THE EQUITY ENGINEERING GROUP

20600 CHAGRIN BLVD, SUITE 1200
SHAKER HEIGHTS, OH 44122

**2b** Employer Identification Number (EIN) 34-1970354

**2c** Plan Sponsor's telephone number 216-283-6021

**2d** Business code (see instructions) 541330

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/12/2017 | JOHN TURKALY |
| | **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)

Preparer's telephone number

| | | | |
|---|---|---|---|
| **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: | **4b** | EIN |
| **a** | Sponsor's name | **4c** | PN |

| | | | |
|---|---|---|---|
| **5** | Total number of participants at the beginning of the plan year | **5** | 133 |
| **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)** | 113 |
| **a(2)** | Total number of active participants at the end of the plan year | **6a(2)** | 95 |
| **b** | Retired or separated participants receiving benefits | **6b** | 1 |
| **c** | Other retired or separated participants entitled to future benefits | **6c** | 28 |
| **d** | Subtotal. Add lines **6a(2)**, **6b**, and **6c**. | **6d** | 124 |
| **e** | Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** | Total. Add lines **6d** and **6e**. | **6f** | 124 |
| **g** | Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 124 |
| **h** | Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 8 |
| **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:

2P 2Q 3I

**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) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(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)** [X] **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)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 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)

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

**2016**

**This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE EQUITY ENGINEERING GROUP

**D** Employer Identification Number (EIN)
34-1970354

## Part I Asset and Liability Statement

**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) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 1307 | 15983 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 976948 | 1021947 |
| **(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) | | |
| **(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) | | |
| **(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) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 16600000 | 18100000 |
| | **(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 | 17578255 | 19137930 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | 9679844 | 8732725 |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 9679844 | 8732725 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 7898411 | 10405205 |

## 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) | 1377598 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 1377598 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(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) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| | **(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) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(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) | 1500000 | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 1500000 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2877598 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 324 | |
| (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) | | 324 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | 370480 |
| 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) | | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 0 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 370804 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 2506794 |
| 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)** [X] 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 [X] No

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

**(1)** Name: BSE PARTNERS LLC **(2)** EIN: 06-0462571

**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:

| | | 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? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **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.) | 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.) | 4c | | 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.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 1500000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | 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? | 4g | | 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? | 4h | | 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.) | 4i | 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.) | 4j | | 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? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | 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 | 4n | | | |
| o | Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? | 4o | | | |

**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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

## Part V Trust Information

| **6a** Name of trust | **6b** Trust's EIN |
|---|---|
| | |

| **6c** Name of trustee or custodian | **6d** Trustee's or custodian's telephone number |
|---|---|
| | |

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

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

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2016**

**This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**A** Name of plan
THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

**B** Three-digit plan number (PN) ▶ 002

**C** Plan sponsor's name as shown on line 2a of Form 5500
THE EQUITY ENGINEERING GROUP

**D** Employer Identification Number (EIN)
34-1970354

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 46-1296392

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

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

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☒ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

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**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

## Part VII IRS Compliance Questions

| | |
|---|---|
| **20a** Is the plan a 401(k) plan? If "No," skip b | ☐ Yes ☐ No |
| **20b** How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: | ☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A |
| **21a** What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: | ☐ Ratio percentage test ☐ Average benefit test ☐ N/A |
| **21b** Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules? | ☐ Yes ☐ No |

**22a** If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

**22b** If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

# THE EQUITY ENGINEERING GROUP, INC.

## EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

## FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

**Years Ended December 31, 2016 and 2015**

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## INDEPENDENT AUDITORS' REPORT

Plan Administrator
**The Equity Engineering Group, Inc.**
**Employee Stock Ownership Plan and Trust**
Shaker Heights, Ohio

We have audited the accompanying financial statements of The Equity Engineering Group, Inc. **Employee Stock Ownership Plan and Trust** (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2016, and the related statement of changes in net assets available for benefits for the year 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 our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITORS' REPORT

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Equity Engineering Group, Inc. **Employee Stock Ownership Plan and Trust** as of December 31, 2016, and the changes in its net assets available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

The 2015 information contained in the report has not been audited nor was it required to be audited as of December 31, 2016.

### Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BJE Partners, LLC

Columbus, Ohio
October 9, 2017

## THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

## December 31, 2016 and 2015

| | December 31, 2016 | | | December 31, 2015 – unaudited | | |
|---|---|---|---|---|---|---|
| | Allocated | Unallocated | Total | Allocated | Unallocated | Total |
| Assets: | | | | | | |
| Cash Equivalents | $ 15,983 | $ -- | $ 15,983 | $ 1,307 | $ -- | 1,307 |
| Contribution Receivable | 1,021,947 | -- | 1,021,947 | 976,948 | -- | 976,948 |
| EEG Common Stock | 5,278,291 | 12,821,709 | 18,100,000 | 3,307,819 | 13,292,181 | 16,600,000 |
| Total Assets | $6,316,221 | $12,821,709 | $19,137,930 | $4,286,074 | $13,292,181 | $17,578,255 |
| Liabilities: | | | | | | |
| Outstanding Loan Balance | -- | 8,732,725 | 8,732,725 | -- | 9,679,844 | 9,679,844 |
| Total Liabilities | -- | 8,732,725 | 8,732,725 | -- | 9,679,844 | 9,679,844 |
| Net Assets Available for Benefits | $6,316,221 | $4,088,984 | $10,405,205 | $4,286,074 | $3,612,337 | $7,898,411 |

See notes to financial statements.

## THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

## Years Ended December 31, 2016

| | December 31, 2016 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Income: | | | |
| Employer Contribution | $1,036,948 | $340,650 | $1,377,598 |
| Share Release (at fair market value) | 1,671,573 | -- | 1,671,573 |
| Unrealized Appreciation | 298,899 | 1,201,101 | 1,500,000 |
| Total Income | 3,007,420 | 1,541,751 | 4,549,171 |
| Expenses: | | | |
| Interest Expense | -- | 370,480 | 370,480 |
| Payments to Participants | 324 | -- | 324 |
| Share Release (at fair market value) | -- | 1,671,573 | 1,671,573 |
| Debt Transfer | 976,949 | (976,949) | -- |
| Unrealized Depreciation | -- | -- | -- |
| Total Expenses | 977,273 | 1,065,104 | 2,042,377 |
| Change in Net Assets Available for Benefits | 2,030,147 | 476,647 | 2,506,794 |
| Net Assets at Beginning of Plan Year | 4,286,074 | 3,612,337 | 7,898,411 |
| Net Assets Available for Benefits at year end | $6,316,221 | $4,088,984 | $10,405,205 |

See notes to financial statements.

**THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

**SUPPLEMENTARY INFORMATION**

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## NOTE 1 - DESCRIPTION OF PLAN

The following description of The Equity Engineering Group, Inc. **Employee Stock Ownership 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.

*General* – The Equity Engineering Group, Inc. (the "Company") established the employee stock ownership plan effective as of October 1, 2012, for all employees of the Company other than leased employees, non-resident alien, a disqualified person or employees covered under a collective bargaining agreement. As of October 1, 2012, the Plan operates as an employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Employee Benefits Administration Committee which consists of not less than one person appointed by the Sponsor Company.

The Plan purchased the Company common stock by issuing notes payable to the former owners of the Company common stock in a trust established under the Plan.

*Eligibility* - Employees of the Company are generally eligible to participate in the Plan after twelve months of service providing they worked at least 1,000 hours during the Plan year, received compensation during the Plan year, and were employed on the last day of the Plan year and were 21 years of age or older.

*Employer Contributions* - The Company is obligated to make contributions in cash to the Plan, equal the amount necessary to enable the Plan to make its regularly scheduled loan payments.

*Participant Accounts* - The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

## NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

*Vesting* - For participants terminating employment for reasons other than death or disability or upon the Normal Retirement age, the Plan has the following graded vesting schedule:

| Years of Service | Vesting Percentages |
|---|---|
| Fewer than 2 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

*Payment of Benefits* - Distributions on account of death, disability, or retirement are made in a lump sum or installments beginning in the Plan year following the event that occurred. Distributions for other separations from service are required to be made after the sixth Plan year following the separation from service and are made in lump sum or annual installments. The amount to be distributed is based upon the account valuation date immediately preceding the distribution. Distributions are made in cash.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan.

*Put Option* - Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock.

*Diversification* - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. There is a $500 minimum diversification amount.

## NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

*Forfeitures* - Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated non-vested account balances were allocated to remaining stock participants at December 31, 2016 and 2015.

*Voting Rights* - Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Accounting* - The financial statements of the Plan are prepared using the accrual method of accounting.

*Financial Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's Administrator to make estimates and assumptions that affect the reported amounts of net assets, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Investment Valuation and Income Recognition* -The shares of Company common stock are valued at fair value. See Note 7 for discussion of fair value measurements.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

*Payment of Benefits* - Benefits are recorded when paid.

*Administrative Expenses* - As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

*Subsequent Events* - In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through October 9, 2017, the date the financial statements were available to be issued.

## NOTE 3 - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation.

U.S. generally accepted accounting principles 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 Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. No uncertain tax positions exist as of December 31, 2016.

## NOTE 4 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common shares, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, who utilized cash received, and makes distributions to participants, and makes loan balance payments.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

## NOTE 5 – INVESTMENTS

The Plan's investment in The Equity Engineering Group, Inc.'s stock at December 31, 2016 and 2015, is as follows:

| | 2016 | 2015 |
|---|---|---|
| Allocated shares | 29.16183 | 19.92662 |
| Unallocated shares | 70.83817 | 80.07338 |
| Cost – Allocated | $3,251,544 | $2,291,561 |
| Cost – unallocated | $7,898,456 | $8,858,439 |
| Fair Value – Allocated | $5,278,291 | $3,307,819 |
| Fair Value – Unallocated | $12,821,709 | $13,292,181 |

## NOTE 6 - RELATED PARTY TRANSACTIONS

The Plan invests in Company common stock. This is a related party and party-in-interest transaction. As described in Notes 1 and 4, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

## NOTE 7 - FAIR VALUE MEASUREMENTS

Accounting standards provide a framework for measuring fair value. This 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 the accounting standards 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 to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 the methodologies used at December 31, 2016.

*Common stock:* The fair value of the Sponsor Company common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that market participants would also recognize a discount for lack of marketability.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustee, reviews in detail, discusses and approves. The results of this process are documented in minutes of the plan fiduciary.

## NOTE 7 - FAIR VALUE MEASUREMENTS - CONTINUED

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| EEG, Inc. common stock: | $ - | $ - | $ 18,100,000 | $ 18,100,000 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015:

| | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| EEG, Inc. common stock: Allocated | $ - | $ - | $ 16,600,000 | $ 16,600,000 |

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2016:

| | Investment in EEG, Inc. Common Stock 2016 |
|---|---|
| Value at beginning of year | $16,600,000 |
| Unrealized gains | 1,500,000 |
| Value at the end of the year | $18,100,000 |

Gains and losses (realized and unrealized) included in the Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2016, are reported in net appreciation (depreciation) of fair value of investments.

## NOTE 8 – LOAN PAYABLE

In 2012, the plan entered into a $11,150,000 term loan agreement with the Owners of the Company to acquire all the outstanding common shares of the Company. In conjunction with the acquisition of the shares the plan issued nine individual notes of $1,238,889 with an interest rate of 4%.

Shares are released from collateral and allocated to participants as payments of interest and principal are made. This resulted in 9.23521 shares being released and allocated for the plan year ended December 31, 2016.

The agreements provide for the loans to be repaid in 142 monthly installments. The fair value of the notes payable as of December 31, 2016 was approximately $8,733,000.

The scheduled amortization of the loans for the next five years is as follows:

| | |
|---|---|
| 2017 | $ 944,485 |
| 2018 | $1,070,554 |
| 2019 | $1,114,170 |
| 2020 | $1,159,563 |
| 2021 | $1,206,805 |

## NOTE 9 - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Employee Benefits Administration Committee shall direct the Trustee to pay all liabilities and expenses of the trust fund.

## NOTE 10 - RISKS AND UNCERTAINTIES

The Plan investments consist primarily of the Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of common stock will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

## NOTE 11 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

For the years 2016 and 2015, there were no differences between the financial statements and the Form 5500.

THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

SUPPLEMENTARY INFORMATION

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

PLAN'S EMPLOYER IDENTIFICATION NUMBER: 34-1970354

PLAN NUMBER: 002

December 31, 2106

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | The Equity Engineering Group, Inc. | 29.16183 shares of no-par value common stock | $3,251,544 | $5,278,291 |

* Represents a party-in-interest to the Plan.

# 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 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

**2016**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

**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.)
- ☒ 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
The Equity Engineering Group, Inc. Employee Stock Ownership Plan and Trust

**1b** Three-digit plan number (PN) ▶ 002

**1c** Effective date of plan 10/01/2012

**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)
The Equity Engineering Group

20600 Chagrin Blvd, Suite 1200

Shaker Heights OH 44122

**2b** Employer Identification Number (EIN) 34-1970354

**2c** Plan Sponsor's telephone number (216)283-6021

**2d** Business code (see instructions) 541330

**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 | Signature of plan administrator | Date 10/12/17 | Enter name of individual signing as plan administrator John R. Turkaly |
| SIGN HERE | Signature of employer/plan sponsor | Date 10/13/17 | Enter name of individual signing as employer or plan sponsor David A. Osage |
| 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)

Preparer's telephone number

## Filing Authorization – 2016 Form 5500

**NAME OF PLAN:** The Equity Engineering Group, Inc. Employee Stock Ownership Plan and Trust

**Plan Year Ending:** 12/31/2016

I hereby authorize SES Advisors, Inc. ("SES") to electronically sign and file the above-named return/report through EFAST2.

I understand that in granting this authority that:

- We agree to sign and date page 1 of the Form 5500 and provide a copy of that signature page to SES before the electronic filing can be initiated;
- SES will retain a copy of this written authorization in its records;
- SES will notify the individual(s) signing below as plan administrator/employer about any inquiries and information it receives from EFAST2, DOL, IRS, or PBGC regarding this annual return/report; and

This authorization is applicable only to the filing for the above-named Plan and applies only for Plan year-end stated above.

Plan Administrator/Sponsor: John R. Tuskaly

John R. Tuskaly
Equity Engineering Group, Inc. Employee Stock Ownership Plan and Trust

Date: 10/12/17

On behalf of SES, I hereby certify that the firm will use the authority granted only for the express purposes described above; that the firm will not disclose confidential information to any parties other than the DOL, as required for EFAST filing; and that the firm will take reasonable steps to assure that confidential information provided by the Plan Administrator or Plan Sponsor is protected from unauthorized disclosure.

Mirjana Nikolić

Date: 10/10/17

Mirjana Nikolic, SES Advisors, Inc.

# THE EQUITY ENGINEERING GROUP, INC.

## EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

## FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

**Years Ended December 31, 2016 and 2015**

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## INDEPENDENT AUDITORS' REPORT

Plan Administrator
**The Equity Engineering Group, Inc.**
**Employee Stock Ownership Plan and Trust**
Shaker Heights, Ohio

We have audited the accompanying financial statements of The Equity Engineering Group, Inc. **Employee Stock Ownership Plan and Trust** (the "Plan"), which comprise the statement of net assets available for benefits as of December 31, 2016, and the related statement of changes in net assets available for benefits for the year 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 our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITORS' REPORT

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Equity Engineering Group, Inc. **Employee Stock Ownership Plan and Trust** as of December 31, 2016, and the changes in its net assets available for benefits for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

The 2015 information contained in the report has not been audited nor was it required to be audited as of December 31, 2016.

### Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the financial statements, but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

BJE Partners, LLC

Columbus, Ohio
October 9, 2017

## THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

## December 31, 2016 and 2015

| | December 31, 2016 | | | December 31, 2015 – unaudited | | |
|---|---|---|---|---|---|---|
| | Allocated | Unallocated | Total | Allocated | Unallocated | Total |
| Assets: | | | | | | |
| Cash Equivalents | $ 15,983 | $ -- | $ 15,983 | $ 1,307 | $ -- | 1,307 |
| Contribution Receivable | 1,021,947 | -- | 1,021,947 | 976,948 | -- | 976,948 |
| EEG Common Stock | 5,278,291 | 12,821,709 | 18,100,000 | 3,307,819 | 13,292,181 | 16,600,000 |
| Total Assets | $6,316,221 | $12,821,709 | $19,137,930 | $4,286,074 | $13,292,181 | $17,578,255 |
| Liabilities: | | | | | | |
| Outstanding Loan Balance | -- | 8,732,725 | 8,732,725 | -- | 9,679,844 | 9,679,844 |
| Total Liabilities | -- | 8,732,725 | 8,732,725 | -- | 9,679,844 | 9,679,844 |
| Net Assets Available for Benefits | $6,316,221 | $4,088,984 | $10,405,205 | $4,286,074 | $3,612,337 | $7,898,411 |

See notes to financial statements.

## THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

## Years Ended December 31, 2016

| | December 31, 2016 | | |
|---|---|---|---|
| | Allocated | Unallocated | Total |
| Income: | | | |
| Employer Contribution | $1,036,948 | $340,650 | $1,377,598 |
| Share Release (at fair market value) | 1,671,573 | -- | 1,671,573 |
| Unrealized Appreciation | 298,899 | 1,201,101 | 1,500,000 |
| Total Income | 3,007,420 | 1,541,751 | 4,549,171 |
| Expenses: | | | |
| Interest Expense | -- | 370,480 | 370,480 |
| Payments to Participants | 324 | -- | 324 |
| Share Release (at fair market value) | -- | 1,671,573 | 1,671,573 |
| Debt Transfer | 976,949 | (976,949) | -- |
| Unrealized Depreciation | -- | -- | -- |
| Total Expenses | 977,273 | 1,065,104 | 2,042,377 |
| Change in Net Assets Available for Benefits | 2,030,147 | 476,647 | 2,506,794 |
| Net Assets at Beginning of Plan Year | 4,286,074 | 3,612,337 | 7,898,411 |
| Net Assets Available for Benefits at year end | $6,316,221 | $4,088,984 | $10,405,205 |

See notes to financial statements.

**THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

**SUPPLEMENTARY INFORMATION**

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## NOTE 1 - DESCRIPTION OF PLAN

The following description of The Equity Engineering Group, Inc. **Employee Stock Ownership 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.

*General* – The Equity Engineering Group, Inc. (the "Company") established the employee stock ownership plan effective as of October 1, 2012, for all employees of the Company other than leased employees, non-resident alien, a disqualified person or employees covered under a collective bargaining agreement. As of October 1, 2012, the Plan operates as an employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the applicable provisions of Employee Retirement Income Security Act of 1974 (ERISA). The Plan is administered by an Employee Benefits Administration Committee which consists of not less than one person appointed by the Sponsor Company.

The Plan purchased the Company common stock by issuing notes payable to the former owners of the Company common stock in a trust established under the Plan.

*Eligibility* - Employees of the Company are generally eligible to participate in the Plan after twelve months of service providing they worked at least 1,000 hours during the Plan year, received compensation during the Plan year, and were employed on the last day of the Plan year and were 21 years of age or older.

*Employer Contributions* - The Company is obligated to make contributions in cash to the Plan, equal the amount necessary to enable the Plan to make its regularly scheduled loan payments.

*Participant Accounts* - The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

## NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

*Vesting* - For participants terminating employment for reasons other than death or disability or upon the Normal Retirement age, the Plan has the following graded vesting schedule:

| Years of Service | Vesting Percentages |
|---|---|
| Fewer than 2 | 0% |
| 2 | 20% |
| 3 | 40% |
| 4 | 60% |
| 5 | 80% |
| 6 | 100% |

*Payment of Benefits* - Distributions on account of death, disability, or retirement are made in a lump sum or installments beginning in the Plan year following the event that occurred. Distributions for other separations from service are required to be made after the sixth Plan year following the separation from service and are made in lump sum or annual installments. The amount to be distributed is based upon the account valuation date immediately preceding the distribution. Distributions are made in cash.

Under the provisions of the Plan, the Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan.

*Put Option* - Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the current value of the stock.

*Diversification* - Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. There is a $500 minimum diversification amount.

## NOTE 1 - DESCRIPTION OF PLAN - CONTINUED

*Forfeitures* - Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated non-vested account balances were allocated to remaining stock participants at December 31, 2016 and 2015.

*Voting Rights* - Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The Trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of plan participants and beneficiaries.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Basis of Accounting* - The financial statements of the Plan are prepared using the accrual method of accounting.

*Financial Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's Administrator to make estimates and assumptions that affect the reported amounts of net assets, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Investment Valuation and Income Recognition* -The shares of Company common stock are valued at fair value. See Note 7 for discussion of fair value measurements.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

*Payment of Benefits* - Benefits are recorded when paid.

*Administrative Expenses* - As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. The Company has historically paid the operating expenses for the Plan.

*Subsequent Events* - In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through October 9, 2017, the date the financial statements were available to be issued.

## NOTE 3 - TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation.

U.S. generally accepted accounting principles 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 Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. No uncertain tax positions exist as of December 31, 2016.

## NOTE 4 - ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of Company common shares, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, who utilized cash received, and makes distributions to participants, and makes loan balance payments.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Company.

## NOTE 5 – INVESTMENTS

The Plan's investment in The Equity Engineering Group, Inc.'s stock at December 31, 2016 and 2015, is as follows:

| | 2016 | 2015 |
|---|---|---|
| Allocated shares | 29.16183 | 19.92662 |
| Unallocated shares | 70.83817 | 80.07338 |
| Cost – Allocated | $3,251,544 | $2,291,561 |
| Cost – unallocated | $7,898,456 | $8,858,439 |
| Fair Value – Allocated | $5,278,291 | $3,307,819 |
| Fair Value – Unallocated | $12,821,709 | $13,292,181 |

## NOTE 6 - RELATED PARTY TRANSACTIONS

The Plan invests in Company common stock. This is a related party and party-in-interest transaction. As described in Notes 1 and 4, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

## NOTE 7 - FAIR VALUE MEASUREMENTS

Accounting standards provide a framework for measuring fair value. This 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 the accounting standards 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 to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- 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.

**Level 3** - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 the methodologies used at December 31, 2016.

*Common stock:* The fair value of the Sponsor Company common stock held by the Plan is valued at fair value based upon an independent appraisal. This appraisal was based upon a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities. Plan management has concluded that market participants would also recognize a discount for lack of marketability.

The valuation process involves plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the financial statements of the Company. The appraiser prepares a preliminary report which plan management, along with the ESOP trustee, reviews in detail, discusses and approves. The results of this process are documented in minutes of the plan fiduciary.

## NOTE 7 - FAIR VALUE MEASUREMENTS - CONTINUED

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

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| EEG, Inc. common stock: | $ - | $ - | $ 18,100,000 | $ 18,100,000 |

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2015:

| | Level 1 | Level 2 | Level 3 | Fair Value |
|---|---|---|---|---|
| EEG, Inc. common stock: Allocated | $ - | $ - | $ 16,600,000 | $ 16,600,000 |

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2016:

| | Investment in EEG, Inc. Common Stock 2016 |
|---|---|
| Value at beginning of year | $16,600,000 |
| Unrealized gains | 1,500,000 |
| Value at the end of the year | $18,100,000 |

Gains and losses (realized and unrealized) included in the Statements of Changes in Net Assets Available for Benefits for the year ended December 31, 2016, are reported in net appreciation (depreciation) of fair value of investments.

## NOTE 8 – LOAN PAYABLE

In 2012, the plan entered into a $11,150,000 term loan agreement with the Owners of the Company to acquire all the outstanding common shares of the Company. In conjunction with the acquisition of the shares the plan issued nine individual notes of $1,238,889 with an interest rate of 4%.

Shares are released from collateral and allocated to participants as payments of interest and principal are made. This resulted in 9.23521 shares being released and allocated for the plan year ended December 31, 2016.

The agreements provide for the loans to be repaid in 142 monthly installments. The fair value of the notes payable as of December 31, 2016 was approximately $8,733,000.

The scheduled amortization of the loans for the next five years is as follows:

| | |
|---|---|
| 2017 | $ 944,485 |
| 2018 | $1,070,554 |
| 2019 | $1,114,170 |
| 2020 | $1,159,563 |
| 2021 | $1,206,805 |

## NOTE 9 - PLAN TERMINATION

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Employee Benefits Administration Committee shall direct the Trustee to pay all liabilities and expenses of the trust fund.

## NOTE 10 - RISKS AND UNCERTAINTIES

The Plan investments consist primarily of the Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows, and/or other such techniques. Due to the level of risk associated with the investment in the common stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the value of common stock will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

## NOTE 11 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

For the years 2016 and 2015, there were no differences between the financial statements and the Form 5500.

THE EQUITY ENGINEERING GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

SUPPLEMENTARY INFORMATION

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

PLAN'S EMPLOYER IDENTIFICATION NUMBER: 34-1970354

PLAN NUMBER: 002

December 31, 2106

| (a) | (b) Identity of Issue, Borrower, Lessor, or Similar Party | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, and Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| * | The Equity Engineering Group, Inc. | 29.16183 shares of no-par value common stock | $3,251,544 | $5,278,291 |

* Represents a party-in-interest to the Plan.