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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>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).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                |                                                                                                                                                                                 |                                           |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                |                                                                                                                                                                                 |                                           |
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                |                                                                                                                                                                                 |                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan                  | <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) |                                           |
|                                                                                                          | <input checked="" type="checkbox"/> a single-employer plan     | <input type="checkbox"/> a DFE (specify) _____                                                                                                                                  |                                           |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report               | <input type="checkbox"/> the final return/report                                                                                                                                |                                           |
|                                                                                                          | <input type="checkbox"/> an amended return/report              | <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                  |                                           |
| <b>C</b> If the plan is a collectively-bargained plan, check here. ....                                  | <input type="checkbox"/>                                       |                                                                                                                                                                                 |                                           |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558                  | <input type="checkbox"/> automatic extension                                                                                                                                    | <input type="checkbox"/> the DFVC program |
|                                                                                                          | <input type="checkbox"/> special extension (enter description) |                                                                                                                                                                                 |                                           |

|                                                                                                                                                                                                                                                                                                                                                                     |                                                                     |                                                                  |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------|--|
| <b>Part II</b>                                                                                                                                                                                                                                                                                                                                                      | <b>Basic Plan Information</b> —enter all requested information      |                                                                  |  |
| <b>1a</b> Name of plan<br><u>EVY OF CALIFORNIA, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>                                                                                                                                                                                                                                                                              | <b>1b</b> Three-digit plan number (PN) ►                            | <u>001</u>                                                       |  |
|                                                                                                                                                                                                                                                                                                                                                                     | <b>1c</b> Effective date of plan                                    | <u>01/01/2012</u>                                                |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br><u>EVY OF CALIFORNIA, INC.</u><br><br><u>810A S. FLOWER STREET</u><br><u>LOS ANGELES, CA 90017</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>95-2295981</u> | <b>2c</b> Plan Sponsor's telephone number<br><u>213-763-6100</u> |  |
|                                                                                                                                                                                                                                                                                                                                                                     | <b>2d</b> Business code (see instructions)<br><u>315990</u>         |                                                                  |  |

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

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

|                                                                                                 |                                                          |                   |                                                              |
|-------------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                | <u>Filed with authorized/valid electronic signature.</u> | <u>10/16/2017</u> | <u>KEVIN KREISER</u>                                         |
|                                                                                                 | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                                          |                   |                                                              |
|                                                                                                 | <b>Signature of DFE</b>                                  | 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                                  |
|                                                                                                 |                                                          |                   |                                                              |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2016)  
v. 160205

|                                                                                                                                                                                                                   |                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor                                                                                                          | <b>3b</b> Administrator's EIN              |
|                                                                                                                                                                                                                   | <b>3c</b> Administrator's telephone number |
|                                                                                                                                                                                                                   |                                            |
| <b>4</b> 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:<br><b>a</b> Sponsor's name | <b>4b</b> EIN<br><b>4c</b> PN              |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                           | <b>5</b> 197                               |
| <b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                  |                                            |
| <b>a(1)</b> Total number of active participants at the beginning of the plan year.....                                                                                                                            | <b>6a(1)</b> 151                           |
| <b>a(2)</b> Total number of active participants at the end of the plan year .....                                                                                                                                 | <b>6a(2)</b> 141                           |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                | <b>6b</b> 0                                |
| <b>c</b> Other retired or separated participants entitled to future benefits .....                                                                                                                                | <b>6c</b> 57                               |
| <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                       | <b>6d</b> 198                              |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....                                                                                                        | <b>6e</b> 0                                |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                           | <b>6f</b> 198                              |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....                                                                   | <b>6g</b> 198                              |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....                                                                       | <b>6h</b> 0                                |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....                                                                               | <b>7</b>                                   |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:<br>2E 2I 2P 3I                                       |                                            |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:                                                       |                                            |

|                                                                                                                                                                       |                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>9a</b> Plan funding arrangement (check all that apply)                                                                                                             | <b>9b</b> Plan benefit arrangement (check all that apply)                         |
| <b>(1)</b> <input type="checkbox"/> Insurance                                                                                                                         | <b>(1)</b> <input type="checkbox"/> Insurance                                     |
| <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts                                                                                        | <b>(2)</b> <input type="checkbox"/> Code section 412(e)(3) insurance contracts    |
| <b>(3)</b> <input checked="" type="checkbox"/> Trust                                                                                                                  | <b>(3)</b> <input checked="" type="checkbox"/> Trust                              |
| <b>(4)</b> <input type="checkbox"/> General assets of the sponsor                                                                                                     | <b>(4)</b> <input type="checkbox"/> General assets of the sponsor                 |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)     |                                                                                   |
| <b>a Pension Schedules</b>                                                                                                                                            | <b>b General Schedules</b>                                                        |
| <b>(1)</b> <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)                                                                                 | <b>(1)</b> <input checked="" type="checkbox"/> <b>H</b> (Financial Information)   |
| <b>(2)</b> <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary | <b>(2)</b> <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) |
| <b>(3)</b> <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                               | <b>(3)</b> <input type="checkbox"/> <u>0</u> <b>A</b> (Insurance Information)     |
|                                                                                                                                                                       | <b>(4)</b> <input type="checkbox"/> <b>C</b> (Service Provider Information)       |
|                                                                                                                                                                       | <b>(5)</b> <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) |
|                                                                                                                                                                       | <b>(6)</b> <input type="checkbox"/> <b>G</b> (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 \_\_\_\_\_

|                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                              |                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Internal Revenue Service</small><br><hr/> <small>Department of Labor</small><br><small>Employee Benefits Security Administration</small><br><hr/> <small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>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).<br><br><b>► File as an attachment to Form 5500.</b> | <small>OMB No. 1210-0110</small><br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection</b> |
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|                                                                                                          |                                                                            |            |
|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------|
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                            |            |
| <b>A</b> Name of plan<br><u>EVY OF CALIFORNIA, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>                    | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span> | <u>001</u> |
|                                                                                                          |                                                                            |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>EVY OF CALIFORNIA, INC.</u>          | <b>D</b> Employer Identification Number (EIN)<br><u>95-2295981</u>         |            |

| <b>Part I</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Asset and Liability Statement</b> |                              |                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------|------------------------|
| <b>1</b> 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. <b>Round off amounts to the nearest dollar.</b> 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. |                                      |                              |                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                        | <b>(a) Beginning of Year</b> | <b>(b) End of Year</b> |
| <b>a</b> Total noninterest-bearing cash .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>1a</b>                            | 0                            | 0                      |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                      |                              |                        |
| <b>(1)</b> Employer contributions.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1b(1)</b>                         | 0                            | 0                      |
| <b>(2)</b> Participant contributions .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1b(2)</b>                         |                              |                        |
| <b>(3)</b> Other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>1b(3)</b>                         |                              |                        |
| <b>c</b> General investments:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                      |                              |                        |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(1)</b>                         | 0                            | 100150                 |
| <b>(2)</b> U.S. Government securities .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>1c(2)</b>                         |                              |                        |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                      |                              |                        |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(3)(A)</b>                      |                              |                        |
| <b>(B)</b> All other.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>1c(3)(B)</b>                      |                              |                        |
| <b>(4)</b> Corporate stocks (other than employer securities):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                      |                              |                        |
| <b>(A)</b> Preferred .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(4)(A)</b>                      |                              |                        |
| <b>(B)</b> Common.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>1c(4)(B)</b>                      |                              |                        |
| <b>(5)</b> Partnership/joint venture interests .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>1c(5)</b>                         |                              |                        |
| <b>(6)</b> Real estate (other than employer real property).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(6)</b>                         |                              |                        |
| <b>(7)</b> Loans (other than to participants) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>1c(7)</b>                         |                              |                        |
| <b>(8)</b> Participant loans.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(8)</b>                         |                              |                        |
| <b>(9)</b> Value of interest in common/collective trusts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>1c(9)</b>                         |                              |                        |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>1c(10)</b>                        |                              |                        |
| <b>(11)</b> Value of interest in master trust investment accounts .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(11)</b>                        |                              |                        |
| <b>(12)</b> Value of interest in 103-12 investment entities.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>1c(12)</b>                        |                              |                        |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>1c(13)</b>                        |                              |                        |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>1c(14)</b>                        |                              |                        |
| <b>(15)</b> Other .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>1c(15)</b>                        |                              |                        |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> | 378900                | 0               |
| (2) Employer real property .....                                     | <b>1d(2)</b> | 0                     | 0               |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    | 0                     | 0               |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 378900                | 100150          |

**Liabilities**

|                                                                           |           |          |   |
|---------------------------------------------------------------------------|-----------|----------|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> | 0        | 0 |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 0        | 0 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> | 10520307 | 0 |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 0        | 0 |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 10520307 | 0 |

**Net Assets**

|                                                           |           |           |        |
|-----------------------------------------------------------|-----------|-----------|--------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | -10141407 | 100150 |
|-----------------------------------------------------------|-----------|-----------|--------|

**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 |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 100000     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 100000    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> | 50         |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 50        |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> | 4868123    |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 4868123   |
| (5) Unrealized appreciation (depreciation) of assets: <b>(A)</b> Real estate .....                         | <b>2b(5)(A)</b> |            |           |
| <b>(B)</b> Other .....                                                                                     | <b>2b(5)(B)</b> |            |           |
| <b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....         | <b>2b(5)(C)</b> |            | 0         |

|                                                                                                |        | (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     |            | 5500000   |
| d Total income. Add all <b>income</b> amounts in column (b) and enter total.....               | 2d     |            | 10468173  |

**Expenses**

|                                                                                      |       |  |        |
|--------------------------------------------------------------------------------------|-------|--|--------|
| e Benefit payment and payments to provide benefits:                                  |       |  |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....      | 2e(1) |  |        |
| (2) To insurance carriers for the provision of benefits .....                        | 2e(2) |  |        |
| (3) Other .....                                                                      | 2e(3) |  |        |
| (4) Total benefit payments. Add lines 2e(1) through (3).....                         | 2e(4) |  | 0      |
| f Corrective distributions (see instructions) .....                                  | 2f    |  |        |
| g Certain deemed distributions of participant loans (see instructions) .....         | 2g    |  |        |
| h Interest expense.....                                                              | 2h    |  | 226616 |
| 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 <b>expense</b> amounts in column (b) and enter total ..... | 2j    |  | 226616 |

**Net Income and Reconciliation**

|                                                          |       |  |          |
|----------------------------------------------------------|-------|--|----------|
| k Net income (loss). Subtract line 2j from line 2d ..... | 2k    |  | 10241557 |
| l Transfers of assets:                                   |       |  |          |
| (1) To this plan.....                                    | 2l(1) |  |          |
| (2) From this plan.....                                  | 2l(2) |  |          |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

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

(1) Name: **MARCUM LLP**

(2) EIN: **11-1986323**

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) .....

|    | Yes | No | Amount |
|----|-----|----|--------|
| 4a |     | X  |        |
| 4b |     | X  |        |

|                                                                                                                                                                                                                               |           | Yes | No | Amount  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-----|----|---------|
| <b>c</b> 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.) .....                                          | <b>4c</b> |     | X  |         |
| <b>d</b> 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.) .....                               | <b>4d</b> |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond? .....                                                                                                                                                                      | <b>4e</b> | X   |    | 1000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                       | <b>4f</b> |     | X  |         |
| <b>g</b> 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? .....                                                    | <b>4g</b> |     | X  |         |
| <b>h</b> 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? .....                                          | <b>4h</b> |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....                                                                | <b>4i</b> | X   |    |         |
| <b>j</b> 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.) ..... | <b>4j</b> | X   |    |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....                                                           | <b>4k</b> |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                            | <b>4l</b> |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....                                                                                                  | <b>4m</b> |     | X  |         |
| <b>n</b> 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. ....                                      | <b>4n</b> |     |    |         |
| <b>o</b> Defined Benefit Plan or Money Purchase Pension Plan Only:<br>Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? .....                           | <b>4o</b> |     |    |         |

**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: 0

**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

|                                        |                                                     |
|----------------------------------------|-----------------------------------------------------|
| <b>6a</b> Name of trust                | <b>6b</b> Trust's EIN                               |
| <b>6c</b> Name of trustee or custodian | <b>6d</b> Trustee's or custodian's telephone number |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                             |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>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).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2016</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

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

|                                                                                                 |                                                                    |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>EVY OF CALIFORNIA, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>           | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>EVY OF CALIFORNIA, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>95-2295981</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

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

|                                                                                                                                                                                                                                                                                                                                       |          |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions .....                                                                                                                                                                                                | <b>1</b> | <u>0</u> |
| <b>2</b> 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):<br><br>EIN(s): _____<br><br><b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b> |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....                                                                                                                                                                                                      | <b>3</b> |          |

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

|                                                                                                                                                                                                                                                                                                                                                                           |                              |                             |                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|-----------------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....                                                                                                                                                                                                                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input checked="" type="checkbox"/> N/A |
| <b>If the plan is a defined benefit plan, go to line 8.</b>                                                                                                                                                                                                                                                                                                               |                              |                             |                                         |
| <b>5</b> 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. <b>Date:</b> Month _____ Day _____ Year _____<br><b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b> |                              |                             |                                         |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                                            | <b>6a</b>                    |                             |                                         |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                                | <b>6b</b>                    |                             |                                         |
| <b>c</b> 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) .....                                                                                                                                                                                                                          | <b>6c</b>                    |                             |                                         |
| <b>If you completed line 6c, skip lines 8 and 9.</b>                                                                                                                                                                                                                                                                                                                      |                              |                             |                                         |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                                        | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A            |
| <b>8</b> 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? .....                                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A            |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> 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..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (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. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....                                                      | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <b>b</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.) ..... | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2016  
v. 160205

**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): \_\_\_\_\_

**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): \_\_\_\_\_

|           |                                                                                                                                                                                                                                                      |            |  |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>14</b> | Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:                                                                                                                    |            |  |
| <b>a</b>  | The current year .....                                                                                                                                                                                                                               | <b>14a</b> |  |
| <b>b</b>  | The plan year immediately preceding the current plan year .....                                                                                                                                                                                      | <b>14b</b> |  |
| <b>c</b>  | The second preceding plan year .....                                                                                                                                                                                                                 | <b>14c</b> |  |
| <b>15</b> | 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:                                                                         |            |  |
| <b>a</b>  | The corresponding number for the plan year immediately preceding the current plan year .....                                                                                                                                                         | <b>15a</b> |  |
| <b>b</b>  | The corresponding number for the second preceding plan year .....                                                                                                                                                                                    | <b>15b</b> |  |
| <b>16</b> | Information with respect to any employers who withdrew from the plan during the preceding plan year:                                                                                                                                                 |            |  |
| <b>a</b>  | Enter the number of employers who withdrew during the preceding plan year .....                                                                                                                                                                      | <b>16a</b> |  |
| <b>b</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 .....                                                                                        | <b>16b</b> |  |
| <b>17</b> | 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. .... <input type="checkbox"/> |            |  |

|                |                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------|
| <b>Part VI</b> | <b>Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans</b> |
|----------------|---------------------------------------------------------------------------------------------------|

|           |                                                                                                                                                                                                                                                                                                                                                                                             |                          |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| <b>18</b> | 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 .....                | <input type="checkbox"/> |
| <b>19</b> | If the total number of participants is 1,000 or more, complete lines (a) through (c)                                                                                                                                                                                                                                                                                                        |                          |
| <b>a</b>  | Enter the percentage of plan assets held as:<br>Stock: <u>0.0</u> %    Investment-Grade Debt: _____%    High-Yield Debt: _____%    Real Estate: _____%    Other: _____%                                                                                                                                                                                                                     |                          |
| <b>b</b>  | Provide the average duration of the combined investment-grade and high-yield debt:<br><input type="checkbox"/> 0-3 years <input type="checkbox"/> 3-6 years <input type="checkbox"/> 6-9 years <input type="checkbox"/> 9-12 years <input type="checkbox"/> 12-15 years <input type="checkbox"/> 15-18 years <input type="checkbox"/> 18-21 years <input type="checkbox"/> 21 years or more |                          |
| <b>c</b>  | What duration measure was used to calculate line 19(b)?<br><input type="checkbox"/> Effective duration <input type="checkbox"/> Macaulay duration <input type="checkbox"/> Modified duration <input type="checkbox"/> Other (specify): _____                                                                                                                                                |                          |

|                 |                                 |
|-----------------|---------------------------------|
| <b>Part VII</b> | <b>IRS Compliance Questions</b> |
|-----------------|---------------------------------|

|                                                                                                                                                                                                                             |                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>20a</b> Is the plan a 401(k) plan? If "No," skip b .....                                                                                                                                                                 | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>20b</b> How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply: .....                                                        | <input type="checkbox"/> Design-based safe harbor <input type="checkbox"/> "Prior year" ADP test<br><input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A |
| <b>21a</b> What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply: .....                                                                            | <input type="checkbox"/> Ratio percentage test <input type="checkbox"/> Average benefit test <input type="checkbox"/> N/A                                                         |
| <b>21b</b> 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? ..... | <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                          |
| <b>22a</b> 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 ..... |                                                                                                                                                                                   |
| <b>22b</b> 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    /    /    .                                  |                                                                                                                                                                                   |

**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE  
DECEMBER 31, 2016 AND 2015 AND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

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**Supplemental Schedule**

|                                                                     |    |
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## **INDEPENDENT AUDITORS' REPORT**

To the ESOP Committee of  
**Evy of California, Inc. Stock Ownership Plan**

### ***Report on the Financial Statements***

We were engaged to audit the accompanying financial statements of Evy of California, Inc. Employee Stock Ownership Plan (the "Plan"), which comprise the statements of net assets (deficit) in liquidation available for benefits as of December 31, 2016 and 2015, and the related statement of changes in net assets (deficit) in liquidation available for benefits for the year ended December 31, 2016, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### ***Basis for Disclaimer of Opinion***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Wilmington Trust, National Association, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2016 and 2015 and for the year ended December 31, 2016, that the information provided to the plan administrator by the trustee is complete and accurate.

### ***Disclaimer of Opinion***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

### ***Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting***

As discussed in Note 9 to the financial statements, the governing body of Evy of California, Inc. Employee Stock Ownership Plan approved a plan of liquidation on November 30, 2016, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2015 financial statements to the liquidation basis used in presenting the 2016 financial statements. Our opinion is not modified with respect to this matter.

### ***Other Matters***

The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2016 and Schedule of Reportable Transactions for the year ended December 31, 2016 are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

### ***Report on Form and Content in Compliance With DOL Rules and Regulations***

The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Marcum LLP*

San Francisco, CA  
October 16, 2017

**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENTS OF NET ASSETS (DEFICIT) IN LIQUIDATION AVAILABLE FOR BENEFITS**

**DECEMBER 31, 2016 AND 2015**

|                                                                            | 2016              |              |                   | 2015              |                        |                        |
|----------------------------------------------------------------------------|-------------------|--------------|-------------------|-------------------|------------------------|------------------------|
|                                                                            | Allocated         | Unallocated  | Total             | Allocated         | Unallocated            | Total                  |
| <b>Assets</b>                                                              |                   |              |                   |                   |                        |                        |
| Investment in Sponsor Company's convertible preferred stock, at fair value | \$ --             | \$ --        | \$ --             | \$ 165,953        | \$ 212,947             | \$ 378,900             |
| Investment in Money Market Fund at fair value                              | <u>100,150</u>    | <u>--</u>    | <u>100,150</u>    | <u>--</u>         | <u>--</u>              | <u>--</u>              |
| <b>Total Assets</b>                                                        | <u>100,150</u>    | <u>--</u>    | <u>100,150</u>    | <u>165,953</u>    | <u>212,947</u>         | <u>378,900</u>         |
| <b>Liabilities</b>                                                         |                   |              |                   |                   |                        |                        |
| Note payable to Sponsor Company                                            | <u>--</u>         | <u>--</u>    | <u>--</u>         | <u>--</u>         | <u>10,520,307</u>      | <u>10,520,307</u>      |
| <b>Total Liabilities</b>                                                   | <u>--</u>         | <u>--</u>    | <u>--</u>         | <u>--</u>         | <u>10,520,307</u>      | <u>10,520,307</u>      |
| <b>Net Assets (Deficit) Available for Benefits</b>                         | <u>\$ 100,150</u> | <u>\$ --</u> | <u>\$ 100,150</u> | <u>\$ 165,953</u> | <u>\$ (10,307,360)</u> | <u>\$ (10,141,407)</u> |

*The accompanying notes are an integral part of these financial statements.*

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**STATEMENT OF CHANGES IN NET ASSETS (DEFICIT)**  
**IN LIQUIDATION AVAILABLE FOR BENEFITS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

|                                                                                           | Allocated         | Unallocated         | Total               |
|-------------------------------------------------------------------------------------------|-------------------|---------------------|---------------------|
| <b>Additions to Net Assets</b>                                                            |                   |                     |                     |
| Investment Income:                                                                        |                   |                     |                     |
| Net (depreciation) appreciation in fair value of investments                              | \$ (165,853)      | \$ 5,033,976        | \$ 4,868,123        |
| Interest income                                                                           | <u>50</u>         | <u>--</u>           | <u>50</u>           |
| Total investment income                                                                   | (165,803)         | 5,033,976           | 4,868,173           |
| Employer contributions                                                                    | 100,000           | --                  | 100,000             |
| Cancellation of debt                                                                      | --                | 5,500,000           | 5,500,000           |
| Allocation of 16,249.6848 shares of common stock of the<br>Sponsor Company, at fair value | <u>--</u>         | <u>--</u>           | <u>--</u>           |
| <b>Total Additions to Net Assets</b>                                                      | <u>(65,803)</u>   | <u>10,533,976</u>   | <u>10,468,173</u>   |
| <b>Deductions from Net Assets</b>                                                         |                   |                     |                     |
| Allocation of 16,249.6848 shares of common stock of the<br>Sponsor Company, at fair value | --                | --                  | --                  |
| Interest expense                                                                          | <u>--</u>         | <u>226,616</u>      | <u>226,616</u>      |
| <b>Total Deductions from Net Assets</b>                                                   | <u>--</u>         | <u>226,616</u>      | <u>226,616</u>      |
| <b>Net (Decrease) Increase</b>                                                            | (65,803)          | 10,307,360          | 10,241,557          |
| <b>Net Assets (Deficit) in Liquidation Available<br/>for Benefits - Beginning</b>         | <u>165,953</u>    | <u>(10,307,360)</u> | <u>(10,141,407)</u> |
| <b>Net Assets in Liquidation Available<br/>for Benefits - Ending</b>                      | <u>\$ 100,150</u> | <u>\$ --</u>        | <u>\$ 100,150</u>   |

*The accompanying notes are an integral part of these financial statements.*

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1 - PLAN DESCRIPTION**

The following brief description of the Evy of California, Inc. Employee Stock Ownership Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan Document for complete information.

On December 12, 2012, Evy of California, Inc. (the “Sponsor Company”) established the Evy of California, Inc. Employee Stock Ownership Plan (the “Plan”) to be retroactively effective as of January 1, 2012. The Plan operates, in relevant part, as a leveraged 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 (the “Code”) and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan is administered by the Evy of California Ownership Plan Committee (the “ESOP Committee”) consisting of the Sponsor Company’s president, vice president and chief financial officer as appointed by the Sponsor Company’s Board of Directors. Wilmington Trust, National Association is the Plan’s trustee (the “Trustee”).

The Plan purchased the Sponsor Company’s convertible preferred stock from the then existing two selling shareholders upon the execution of promissory notes payable to the selling shareholders and holds the convertible preferred stock in a trust established under the Plan. The Plan was amended effective as of January 1, 2013 to provide that any repayments of the promissory notes payable (see Note 8) that were made before the Sponsor Company’s contribution for a Plan Year is required to be made in order for such contribution to be deductible on the Sponsor Company’s income tax return for such Plan Year shall be accounted for as if it were made in the Plan Year to which the contribution is deductible and shares are released as a result of such repayment with respect to such Plan Year. An appropriate percentage of convertible preferred stock will be allocated at the end of such Plan Year to eligible employees’ accounts in accordance with applicable regulations under the Code.

On February 15, 2013, the notes payable to selling shareholders were assumed by the Sponsor Company. The note payable to Sponsor Company is collateralized by the unallocated shares of convertible preferred stock. The Sponsor Company has no rights against the shares once they are allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of December 31, 2016 and 2015 present separately the assets and liabilities and changes therein pertaining to:

1. the accounts of employees with vested rights in allocated convertible preferred stock (“Allocated”), and
2. convertible preferred stock not yet allocated to employees (“Unallocated”).

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1 - PLAN DESCRIPTION (CONTINUED)**

***ELIGIBILITY***

Employees are eligible to participate in the Plan if they have completed one (1) year of service and are at least 19 years of age unless they are non-resident aliens who receive no earned income from sources within the United States of America or they are union employees. Employees become participants on either January 1<sup>st</sup> or July 1<sup>st</sup> of each year nearest the date they satisfy the Plan's eligibility requirements. Participants who do not have at least 500 hours of service during such plan year or are not employed on the last working day of a plan year are generally not eligible for an allocation of the Sponsor Company's contributions for such year.

***EMPLOYER CONTRIBUTIONS***

The Sponsor Company is obligated to make contributions in cash to the Plan, which, when aggregated with the Plan's dividend earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its notes payable. For the year ended December 31, 2016, Sponsor Company contributions were \$100,000.

***PAYMENT OF BENEFITS***

Distributions on account of death, disability or normal retirement commence within one year following the occurrence of the specified event, unless the participant elects a later date. Distributions for other separations from service commence in the fifth Plan year following the separation from service. Distributions are paid in equal annual installments over a period not to exceed 5 years. However, the minimum period over which distributions are made may be increased by 1 year up to 5 additional years for each \$200,000 or a fraction thereof by which a participant's account exceeds \$1,015,000. The aforementioned dollar amounts (which were in effect in 2012) are subject to cost-of-living adjustments prescribed by the Commissioner of Internal Revenue. The amount to be distributed is based upon the account valuation date immediately preceding the distribution.

Under the provisions of the Plan, the Sponsor Company is obligated to repurchase participant shares, which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations. During the year ended December 31, 2016, the Sponsor Company did not repurchase any shares from participants due to payment of benefits.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1 - PLAN DESCRIPTION (CONTINUED)**

***ADMINISTRATIVE EXPENSES***

All administrative expenses to maintain the Plan are paid by the Sponsor Company.

***VOTING RIGHTS***

Each participant is entitled to exercise voting rights, in certain matters, 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, under certain matters, any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

***PLAN TERMINATION***

The Sponsor 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 Code. Upon termination of the Plan, the ESOP Committee shall direct the Trustee to pay all liabilities and expenses of the trust fund and to sell unallocated shares of the investment in the Sponsor Company's convertible preferred stock held by the Plan to the extent it determines such sale to be necessary in order to repay the loans.

On November 30, 2016, the governing members of the Plan approved the termination of the Plan. Upon plan termination, all participants became fully vested. The Plan intends to distribute the vested balances to the participants. The Plan expects the liquidation to be completed by December 31, 2017.

***CONCENTRATIONS***

Substantially all of the Plan's assets are invested in the Sponsor Company's convertible preferred stock as of December 31, 2015 and invested in a money market fund as of December 31, 2016.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1 - PLAN DESCRIPTION (CONTINUED)**

***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 Sponsor Company's convertible preferred 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 Sponsor 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 account balance.

***VESTING***

If a participant's employment with the Sponsor Company ends for any reason other than retirement, permanent disability or death, he or she will become vested in the balances in his or her account based on total years of service with the Company. A participant vests 20% after two (2) years of service, an additional 20% for each year of service thereafter and are 100% vested after six (6) years of service.

***PUT OPTION***

Under federal income tax regulations, the Sponsor Company's convertible preferred stock that is held by the Plan and its participants, which is not readily tradable on an established market, and is subject to trading limitations, includes a put option. The put option is a right to demand that the Sponsor Company buy any shares of its convertible preferred stock distributed to participants for which there is no market. The put price is representative of the current value of the convertible preferred stock. The Sponsor Company can pay for the purchase over a period of five (5) years with interest determined by the Plan administrator. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 1 - PLAN DESCRIPTION (CONTINUED)**

***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 the Sponsor Company's convertible preferred stock into investments which are more diversified. Participants who are at least age fifty-five (55) with at least ten (10) years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a 6-year period. In each of the first 5 years, a participant may diversify up to 25 percent of the number of post 1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage increases to 50 percent. Participants who elect to diversify their account will receive a cash distribution. No participants are qualified to diversify their account balances as of December 31, 2016 and 2015.

***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. There were no forfeitures of terminated non-vested account balances allocated to remaining participants at December 31, 2016 and 2015.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***BASIS OF ACCOUNTING***

The governing body of the Evy of California, Inc. Employee Stock Ownership Plan approved a plan of liquidation on November 30, 2016, and management determined liquidation is imminent. As a result, the Plan has changed its basis of accounting from the going concern basis used in presenting the 2015 financial statements to the liquidation basis used in presenting the 2016 financial statements.

***NEW ACCOUNTING STANDARDS***

In May 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this update will generally be effective for fiscal

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***NEW ACCOUNTING STANDARDS (CONTINUED)***

periods beginning after December 15, 2016, and interim periods within those fiscal years, for non-public entities. A reporting entity should apply these amendments retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the net asset value per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. Earlier application is permitted. This ASU does not have any impact on the Plan's financial statements.

In July 2015, the FASB issued ASU 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement date Practical Expedient*. Part I eliminates the requirements to measure the fair value of fully benefit-responsive investment contracts and provide certain disclosures. Contract value is the only required measure for fully benefit-responsive investment contracts. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan assets. The ASU is effective for fiscal years beginning after December 15, 2015, with early adoption permitted. Part I and III are not applicable to the Plan. The Plan adopted this ASU effective on January 1, 2016.

***USE OF ESTIMATES***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results could differ from those estimates. The Plan's significant estimate includes the determination of the fair value of the investment in the Sponsor Company's convertible preferred stock.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***INVESTMENT VALUATION AND INCOME RECOGNITION***

The shares of the Sponsor Company's convertible preferred stock and investments in money market fund are valued at fair value. See Note 6 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 or depreciation includes the changes in the fair value of the Sponsor Company's convertible preferred stock plus the Plan's gains and losses on investments bought and sold as well as held during the Plan year.

**NOTE 3 - TAX STATUS**

The Plan received a determination letter from the Internal Revenue Services dated January 15, 2015, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the applicable taxing authorities.

In May 2016, the Plan has received a notification from the Department of Labor ("DOL") of an examination of the Plan's records for the periods from January 1, 2013 to the present. The Plan audit is currently in progress.

**NOTE 4 - ADMINISTRATION OF PLAN ASSETS**

The Plan's assets, which consist of a money market fund as of December 31, 2016, and the Sponsor Company's convertible preferred stock as of December 31, 2015, are held by the Trustee of the Plan.

The Sponsor Company's contributions are held and managed by the Trustee, which invests the cash received, dividend income and makes distributions to participants. The Trustee also administers the payment of principal and interest on the note payable.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 4 - ADMINISTRATION OF PLAN ASSETS (CONTINUED)**

Focus Pension, LLC is the Plan's third party administrator and record keeper. Certain administrative functions are also performed by officers or employees of the Sponsor Company. No such officer or employee receives compensation from the Plan. Administrative expenses for the Trustee's fees are paid directly by the Sponsor Company.

**NOTE 5 - INVESTMENTS**

The Plan's investment in the Sponsor Company's convertible preferred stock as of December 31, 2016 and 2015 are presented in the following tables:

|                  | December 31, 2016 |             |        |
|------------------|-------------------|-------------|--------|
|                  | Allocated         | Unallocated | Total  |
| Number of shares | 0.0000            | 0.0000      | 0.0000 |
| Cost             | \$ --             | \$ --       | \$ --  |
| Fair Value       | \$ --             | \$ --       | \$ --  |

  

|                  | December 31, 2015 |               |               |
|------------------|-------------------|---------------|---------------|
|                  | Allocated         | Unallocated   | Total         |
| Number of shares | 13,139.5836       | 16,860.4164   | 30,000.0000   |
| Cost             | \$ 9,197,709      | \$ 11,802,291 | \$ 21,000,000 |
| Fair Value       | \$ 165,953        | \$ 212,947    | \$ 378,900    |

***DESCRIPTION OF SPONSOR COMPANY'S CONVERTIBLE PREFERRED STOCK***

The holder of the Sponsor Company's convertible preferred stock is not entitled to voting privileges except on certain matters, in which case, the holder is entitled to vote on an as-if converted basis. The holder has the option to convert the Sponsor Company's convertible preferred stock into shares of the Sponsor Company's common stock at a 1:1 ratio at any time.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 5 - INVESTMENTS (CONTINUED)**

***DESCRIPTION OF SPONSOR COMPANY'S CONVERTIBLE PREFERRED STOCK (CONTINUED)***

The holder is entitled to receive cumulative preferential dividends ("Class B Preferred Dividends") in cash at the rate of \$49 per share per year payable each year on dividend payment dates determined by the Sponsor Company's board of directors (the "Board") from time to time. For the year ended December 31, 2015, the Plan has dividend income of \$1,470,000. The holder is also entitled to receive other amounts when declared by the Board from time to time in its sole discretion ("Special Class B Dividends"). The Class B Preferred Dividends will terminate when the aggregate amount of all Class B Preferred Dividends and Special Class B Dividends cumulatively equals or exceeds \$343 per share. At such time that the payment of dividends and other distributions equal \$343 per share on each outstanding share of the Sponsor Company's convertible preferred stock, or sooner at such time as the entire principal and interest owed under all promissory notes issued to finance the acquisition of the Sponsor Company's convertible preferred stock (see Note 8) has been paid in full, all of the shares of the Sponsor Company's convertible preferred stock will be automatically converted into the Sponsor Company's common stock at a 1:1 ratio. In the event that the Board elects to declare or pay any cash dividend on shares of the Sponsor Company's common stock, the Sponsor Company's convertible preferred stock is also entitled to receive dividends equal to the per share amount payable on the Sponsor Company's common stock on an as-if converted basis.

The Sponsor Company's convertible preferred stock is redeemable, in whole or in part, at the option of the Sponsor Company at any time. The redemption price is equal to one share of the Sponsor Company's common stock plus a payment in cash equal to the present value (calculated using a discount rate of 11% per annum) of all unpaid Class B Preferred Dividends and declared and unpaid Special Class B Dividends from the date of issuance through December 31, 2019. If the entire principal amount and interest owed under the promissory note (see Note 8) has been paid in full, the redemption price is equal to one share of the Sponsor Company's common stock.

In the event of any voluntary or involuntary liquidation prior to the payment of dividends and other distribution in the aggregate of \$343 per share on each outstanding share of the Sponsor Company's convertible preferred stock, the holders are entitled to receive a payment in cash equal to the present value (calculated using a discount rate of 11% per annum) of all unpaid Class B Preferred Dividends and declared and unpaid Special Class B Dividends less the aggregate amount of dividends and other distributions previously paid prior to the date fixed for liquidation (the "Class B Liquidation Payment"). If the entire principal amount and interest owed under the promissory note (see Note 8) has been paid in full, then the Class B Liquidation Payment is zero.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 6 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value 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 market prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The 3 levels of the fair value hierarchy 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.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2016 and 2015:

|                   | Fair Value Measurements as of December 31, 2016 |              |              |                  |
|-------------------|-------------------------------------------------|--------------|--------------|------------------|
|                   | Level 1                                         | Level 2      | Level 3      | Total            |
| Money market fund | <u>\$100,150</u>                                | <u>\$ --</u> | <u>\$ --</u> | <u>\$100,150</u> |
| <b>Total</b>      | <u>\$100,150</u>                                | <u>\$ --</u> | <u>\$ --</u> | <u>\$100,150</u> |

  

|                                             | Fair Value Measurements as of December 31, 2015 |              |                  |                  |
|---------------------------------------------|-------------------------------------------------|--------------|------------------|------------------|
|                                             | Level 1                                         | Level 2      | Level 3          | Total            |
| Sponsor Company convertible preferred stock | <u>\$ --</u>                                    | <u>\$ --</u> | <u>\$378,900</u> | <u>\$378,900</u> |
| <b>Total</b>                                | <u>\$ --</u>                                    | <u>\$ --</u> | <u>\$378,900</u> | <u>\$378,900</u> |

***CHANGES IN FAIR VALUE OF LEVEL 3 AND RELATED GAINS AND LOSSES***

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

| Level 3 Assets           |                                             |
|--------------------------|---------------------------------------------|
| Description              | Sponsor Company convertible preferred stock |
| <b>Beginning Balance</b> | \$ 378,900                                  |
| Realized gains (losses)  | <u>(378,900)</u>                            |
| <b>Ending Balance</b>    | <u>\$ --</u>                                |

The amount of total gains or losses for the year included in changes in net assets (deficit) available for benefits attributable to the change in unrealized gains or losses related to investments still held at the reporting date

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**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)**

***CHANGES IN FAIR VALUE OF LEVEL 3 AND RELATED GAINS AND LOSSES (CONTINUED)***

Realized gains and losses included in changes in net assets for the year ended December 31, 2016 are reported as net (depreciation) appreciation in fair value of investments in the Statement of Changes in Net Assets (Deficit) in Liquidation Available for Benefits.

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 and 2015:

*Sponsor Company convertible preferred stock:* The aggregate fair value of the Sponsor Company's convertible preferred stock held by the Plan is based upon an independent appraisal. The appraiser's opinion of fair value was determined using standard valuation approaches and methodologies consistently applied. The appraiser utilized the income approach and market approach and weighted the methodology accordingly by taking into account the nature of the Sponsor Company's operations. The appraiser also considered the perceived lack of marketability of the Sponsor Company's convertible preferred stock and other relevant factors.

*Money Market Fund:* valued at the Funds's net asset value (NAV) based upon market quotations at the close of the fiscal period. As of December 31, 2016, the net asset value of this investment trades at \$1 per share.

| Instruments                                 | Fair Value | Principal Valuation Technique | Unobservable Inputs                |
|---------------------------------------------|------------|-------------------------------|------------------------------------|
|                                             |            |                               | EBITDA                             |
|                                             |            |                               | Net income                         |
|                                             |            |                               | Weighted average cost of capital   |
|                                             |            |                               | Discount rate                      |
| Sponsor Company convertible preferred stock | \$0        | Income approach               | Discount for lack of marketability |
|                                             |            |                               | Public comparables                 |
|                                             |            |                               | Revenue multiple                   |
|                                             |            |                               | EBITDA multiple                    |
|                                             |            | Market approach               | Discount for lack of marketability |

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 6 - FAIR VALUE MEASUREMENTS (CONTINUED)**

***CHANGES IN FAIR VALUE OF LEVEL 3 AND RELATED GAINS AND LOSSES (CONTINUED)***

The valuation process involves the Plan management's selection of the independent appraiser. Plan management accumulates the historical and projected financial data from the Sponsor Company for use by the appraiser. The appraiser prepares a preliminary report which Plan management, along with the Trustee, reviews in detail, discusses and approves.

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 the fair value of the Sponsor Company's convertible preferred stock could result in a different fair value measurement at the reporting date.

**NOTE 7 - UNAUDITED INFORMATION CERTIFIED BY THE PLAN TRUSTEE**

The following unaudited information in the financial statements and supplemental schedule was certified to be complete and accurate by the Trustee of the Plan within the meaning of 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

- All amounts included as investments at fair value in the Statements of Net Assets (Deficit) in Liquidation Available for Benefits as of December 31, 2016 and 2015.
- Net appreciation in fair value of investment amounts included in the Statement of Changes in Net Assets (Deficit) in Liquidation Available for Benefits for the year ended December 31, 2016.
- All amounts enumerated in the Schedule of Assets (Held at End of Year) as of December 31, 2016.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 8 - NOTE PAYABLE TO SPONSOR COMPANY**

On December 12, 2012, the Plan purchased 30,000 shares of the Sponsor Company's convertible preferred stock from the then existing two selling shareholders for a total purchase price of \$21,000,000 upon the execution of promissory notes payable to the selling shareholders. These notes were guaranteed by the Sponsor Company. Any unallocated shares held by the Plan are used as collateral against these notes. On February 15, 2013, the Sponsor Company assumed and refinanced the notes payable issued by the Plan in the aggregate amount of \$21,000,000. The refinanced note payable is payable in 30 equal annual payments and is due on December 31, 2042. The refinanced note payable bears an interest rate equal of 2.52% per annum. The outstanding note payable to Sponsor Company at December 31, 2016 and 2015 was \$0 and \$10,520,307, respectively.

As discussed in Note 1, any repayments of the note payable that were made before the Sponsor Company's contribution for a Plan Year is required to be made in order for such contribution to be deductible on the Sponsor Company's income tax return for such Plan Year shall be accounted for as if it were made in the Plan Year to which the contribution is deductible and shares are released as a result of such repayment with respect to such Plan Year. An appropriate percentage of convertible preferred stock will be allocated at the end of such Plan Year to eligible employees' accounts in accordance with applicable regulations under the Code.

On November 7, 2016, the Plan entered into a principal reduction agreement wherein the Sponsor Company agreed to forgive and reduce the amount of the outstanding balance of the note payable by \$5,500,000. This loan forgiveness is reported as cancellation of debt on the statement of changes in net assets (deficit) in liquidation available for benefits during the year ended December 31, 2016. In addition, the Plan entered into a stock redemption agreement with the Sponsor Company. See Note 9 –*Stock Redemption Agreement*.

Interest expense on the note payable amounted to \$226,616 for the year ended December 31, 2016.

**EVY OF CALIFORNIA, INC.**  
**EMPLOYEE STOCK OWNERSHIP PLAN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 9 - STOCK REDEMPTION AGREEMENT**

On November 7, 2016, the Plan entered into a stock redemption agreement (the "Redemption Agreement") with the Sponsor Company. Pursuant to the terms of the Redemption Agreement, the redemption price for all of the Sponsor Company's convertible preferred stock consists of the following: (i) the Sponsor Company's issuance of one share of the Sponsor Company's common stock for each of the shares being redeemed, and (ii) \$4,854,584, which equals the present value (calculated using a discount rate of 11.0% per annum) of all unpaid dividends on the shares. At the closing, the \$4,854,584 payable was applied to reduce the outstanding principal balance of the note payable to Sponsor Company. The repayment resulted in the release of 7,721.219 unallocated shares of common stock, thereby increasing the number of allocated common stock to 29,389.2684 shares and reducing the number of unallocated common stock to 610.7308 shares.

The Sponsor Company repurchased all of the allocated shares for a consideration of \$100. In addition, in consideration of the Sponsor Company's cancellation of the remaining outstanding principal balance and any accrued and unpaid interest, the Sponsor Company repurchased all of the unallocated common stock.

The Plan recognized net appreciation in fair value of investments of \$4,868,123 for the year ended December 31, 2016.

**NOTE 10 - RELATED PARTY AND PARTIES IN INTEREST TRANSACTIONS**

The Plan has invested in the Sponsor's Company convertible preferred stock and has indebtedness to the Sponsor Company. As described in Notes 1 and 2, the Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

**NOTE 11 - RISKS AND UNCERTAINTIES**

At December 31, 2015, the Plan's investments consisted primarily of the Sponsor Company's convertible preferred stock, which was 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 convertible preferred stock and to uncertainties inherent in the determination of the investment's fair value, it was at least reasonably possible that subsequent changes in the value of the convertible preferred stock could occur in the near term and such changes could materially affect the amounts reported in the Statement of Net Assets (Deficit) in Liquidation Available for Benefits.

**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**NOTE 12 - SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events through October 16, 2017, the date the financial statements were available to be issued and no events have occurred that required adjustments or disclosures in these financial statements.

**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

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

**EIN: 95-2295981  
PLAN NUMBER: 001**

**DECEMBER 31, 2016**

| (a)               | (b)<br>Identity of issue,<br>borrower, lessor,<br>or similar party | (c)<br>Description of investment<br>including maturity date, rate<br>of interest, collateral, par, or<br>maturity value | (d)<br>Cost | (e)<br>Current<br>Value |
|-------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|
|                   |                                                                    |                                                                                                                         |             |                         |
| Money Market Fund |                                                                    |                                                                                                                         |             |                         |
| Federated         |                                                                    | Federated Government Obligations Cl Pmr                                                                                 | \$ 100,100  | \$ 100,150              |

*See accompanying independent auditors' report.*

**EVY OF CALIFORNIA, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN**

**SCHEDULE H, LINE 4j  
SCHEDULE OF REPORTABLE TRANSACTIONS**

**EIN: 95-2295981  
PLAN NUMBER: 001**

**FOR THE YEAR ENDED DECEMBER 31, 2016**

| (a)<br>Identity of<br>party involved | (b)<br>Description of asset<br>(include interest rate and<br>maturity in case of a loan) | (c)<br>Purchase<br>Price | (d)<br>Selling<br>Price | (e)<br>Lease<br>rental | (f)<br>Expense<br>incurred with<br>transaction | (g)<br>Cost of<br>asset | (h)<br>Current value<br>of asset on<br>transaction date | (i)<br>Net gain<br>or (loss) |
|--------------------------------------|------------------------------------------------------------------------------------------|--------------------------|-------------------------|------------------------|------------------------------------------------|-------------------------|---------------------------------------------------------|------------------------------|
| Evy of California, Inc.              | 30,000 shares of convertible preferred stock                                             | N/A                      | <u>\$ 4,854,584</u>     | N/A                    | N/A                                            | <u>\$21,000,000</u>     | <u>\$ 378,900</u>                                       | <u>\$4,475,684</u>           |
| Evy of California, Inc.              | 30,000 shares of common stock                                                            | N/A                      | <u>\$ 392,439</u>       | N/A                    | N/A                                            | <u>\$ --</u>            | <u>\$ --</u>                                            | <u>\$ 392,439</u>            |

*See accompanying independent auditors' report.*

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br>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).<br><br><b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089<br><br><div style="text-align: center; font-size: 1.2em; font-weight: bold;">2016</div><br><br>This Form is Open to Public Inspection |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                          |                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I Annual Report Identification Information</b>                                                   |                                                                                                                                                                                                                                                                                                                                            |
| For calendar plan year 2016 or fiscal plan year beginning <u>01/01/2016</u> and ending <u>12/31/2016</u> |                                                                                                                                                                                                                                                                                                                                            |
| A This return/report is for:                                                                             | <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)<br><input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____ |
| B This return/report is:                                                                                 | <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report<br><input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)                                                                                                      |
| C If the plan is a collectively-bargained plan, check here. ....                                         | <input type="checkbox"/>                                                                                                                                                                                                                                                                                                                   |
| D Check box if filing under:                                                                             | <input checked="" type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program<br><input type="checkbox"/> special extension (enter description)                                                                                                                                     |

|                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----|------------------------------------------------|--|--------------------------------------------------------------|--|-----------------------------------------------------------|--|------------------------------------------------------|--|
| <b>Part II Basic Plan Information—enter all requested information</b>                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
| <b>1a</b> Name of plan<br>Evy Of California, Inc. Employee Stock Ownership Plan                                                                                                                                                                                                                                                                   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>1b</b> Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">001</td> </tr> <tr> <td colspan="2"><b>1c</b> Effective date of plan<br/>01/01/2012</td> </tr> <tr> <td colspan="2"><b>2b</b> Employer Identification Number (EIN)<br/>95-2295981</td> </tr> <tr> <td colspan="2"><b>2c</b> Plan Sponsor's telephone number<br/>213-763-6100</td> </tr> <tr> <td colspan="2"><b>2d</b> Business code (see instructions)<br/>315990</td> </tr> </table> | <b>1b</b> Three-digit plan number (PN) ▶ | 001 | <b>1c</b> Effective date of plan<br>01/01/2012 |  | <b>2b</b> Employer Identification Number (EIN)<br>95-2295981 |  | <b>2c</b> Plan Sponsor's telephone number<br>213-763-6100 |  | <b>2d</b> Business code (see instructions)<br>315990 |  |
| <b>1b</b> Three-digit plan number (PN) ▶                                                                                                                                                                                                                                                                                                          | 001                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
| <b>1c</b> Effective date of plan<br>01/01/2012                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
| <b>2b</b> Employer Identification Number (EIN)<br>95-2295981                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
| <b>2c</b> Plan Sponsor's telephone number<br>213-763-6100                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
| <b>2d</b> Business code (see instructions)<br>315990                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |
| <b>2a</b> Plan sponsor's name (employer, if for a single-employer plan)<br>Mailing address (include room, apt., suite no. and street, or P.O. Box)<br>City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)<br>Evy Of California, Inc.<br><br>810a S. Flower Street<br><br>Los Angeles CA 90017 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                          |     |                                                |  |                                                              |  |                                                           |  |                                                      |  |

**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.

|                                                                                                 |                                    |                 |                                                              |
|-------------------------------------------------------------------------------------------------|------------------------------------|-----------------|--------------------------------------------------------------|
| <b>SIGN HERE</b>                                                                                |                                    | <u>10/16/17</u> | Kevin Krieser                                                |
|                                                                                                 | Signature of plan administrator    | Date            | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b>                                                                                |                                    |                 |                                                              |
|                                                                                                 | Signature of employer/plan sponsor | Date            | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b>                                                                                |                                    |                 |                                                              |
|                                                                                                 | 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                                  |

### Schedule of Reportable Transactions

|                                         |                                                       |                                |
|-----------------------------------------|-------------------------------------------------------|--------------------------------|
| Name of Plan: ►                         | EVY OF CALIFORNIA, INC. EMPLOYEE STOCK OWNERSHIP PLAN |                                |
| Employer Identification Number (EIN): ► | 95-2295981                                            | Three-digit plan number: ► 001 |
| For the plan year beginning/ending: ►   | JAN 1, 2016/DEC 31, 2016                              |                                |

| (a) Identity of party involved | (b) Description of asset (include interest rate and maturity in case of a loan) | (c) Purchase Price | (d) Selling price | (e) Lease rental | (f) Expense incurred with transaction | (g) Cost of asset | (h) Current value of asset on transaction date | (i) Net gain or (loss) |
|--------------------------------|---------------------------------------------------------------------------------|--------------------|-------------------|------------------|---------------------------------------|-------------------|------------------------------------------------|------------------------|
| EVY OF CALIFORNIA, INC.        | 30,000 shares of convertible preferred stock                                    | N/A                | 4854584           | N/A              | N/A                                   | 21000000          | 378900                                         | 4475684                |
| EVY OF CALIFORNIA, INC.        | 30,000 shares of common stock                                                   | N/A                | 392439            | N/A              | N/A                                   | 0                 | 0 *                                            | 392439                 |
|                                |                                                                                 |                    |                   |                  |                                       |                   |                                                |                        |
|                                |                                                                                 |                    |                   |                  |                                       |                   |                                                |                        |
|                                |                                                                                 |                    |                   |                  |                                       |                   |                                                |                        |

\* indeterminable

**Schedule H, Line 4i**  
**Schedule of Assets (Held At End of Year)**

Name of Plan:

► EVY OF CALIFORNIA, INC. EMPLOYEE STOCK OWNERSHIP PLAN

Employer Identification Number: ► 95-2295981

For plan year (beginning/ending): ► JAN 1, 2016/DEC 31, 2016

Plan number: ► 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (d) Cost | (e) Current value |
|-----|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------|-------------------|
| *   | WILMINGTON TRUST                                          | Cash & Money Market Funds                                                                                  | 100,100  | 100,150           |
|     |                                                           |                                                                                                            |          |                   |
|     |                                                           |                                                                                                            |          |                   |
|     |                                                           |                                                                                                            |          |                   |
|     |                                                           |                                                                                                            |          |                   |