

Form 5500-SF Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Short Form Annual Return/Report of Small Employee Benefit Plan This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500-SF.		OMB Nos. 1210-0110 1210-0089 2016 This Form is Open to Public Inspection	
Part I Annual Report Identification Information					
For calendar plan year 2016 or fiscal plan year beginning 02/01/2016 and ending 01/31/2017					
A This return/report is for:		☒ a single-employer plan ☐ a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☐ a one-participant plan ☐ a foreign plan			
B This return/report is		☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)			
C Check box if filing under:		☒ Form 5558 ☐ automatic extension ☐ DFVC program ☐ special extension (enter description)			
Part II Basic Plan Information —enter all requested information					
1a Name of plan SOUND COM CORPORATION DEFINED BENEFIT PLAN		1b Three-digit plan number (PN) ▶		002	
		1c Effective date of plan		02/01/1989	
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) SOUND COM CORPORATION 227 DEPOT ST BEREA, OH 44017-1899		2b Employer Identification Number (EIN)		34-1137084	
		2c Sponsor's telephone number		440-234-2604	
		2d Business code (see instructions)		238900	
3a Plan administrator's name and address ☒ Same as Plan Sponsor.		3b Administrator's EIN			
		3c Administrator's telephone number			
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report.		4b EIN			
a Sponsor's name		4c PN			
5a Total number of participants at the beginning of the plan year		5a		51	
b Total number of participants at the end of the plan year		5b		53	
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		5c			
d(1) Total number of active participants at the beginning of the plan year		5d(1)		41	
d(2) Total number of active participants at the end of the plan year		5d(2)		34	
e Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		5e		2	
Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.					
Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.					
SIGN HERE	Filed with authorized/valid electronic signature.	11/07/2017	CARL MCLAUGHLIN		
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator		
SIGN HERE					
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor		
Preparer's name (including firm name, if applicable) and address (include room or suite number)				Preparer's telephone number	

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ☒ Yes ☐ No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) ☒ Yes ☐ No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	690679	664139
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	690679	664139
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	91905	
(2) Participants	8a(2)	0	
(3) Others (including rollovers)	8a(3)	0	
b Other income (loss)	8b	68072	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		159977
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	177509	
e Certain deemed and/or corrective distributions (see instructions) ..	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	9008	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		186517
i Net income (loss) (subtract line 8h from line 8c)	8i		-26540
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1B 3D
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X		
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X		
c Was the plan covered by a fidelity bond?	10c	X			150000
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X		
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X		
f Has the plan failed to provide any benefit when due under the plan?	10f		X		
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X		
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h				
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i				

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	☒ Yes ☐ No
11a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	11a 0
12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA?	☐ Yes ☒ No
(If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	
a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____	
If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.	
b Enter the minimum required contribution for this plan year	12b
c Enter the amount contributed by the employer to the plan for this plan year	12c
d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount)	12d
e Will the minimum funding amount reported on line 12d be met by the funding deadline?	☐ Yes ☐ No ☐ N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year?	☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year	13a
b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	☐ Yes ☒ No
c If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)	
13c(1) Name of plan(s):	13c(2) EIN(s)
13c(3) PN(s)	

Part VIII Trust Information

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

Part IX IRS Compliance Questions

15a Is the plan a 401(k) plan? If "No," skip b.	☐ Yes ☐ No
15b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test
	☐ "Current year" ADP test ☐ N/A
16a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
16b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No
17a 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 _____.	
17b 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 ____/____/____.	
18 Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	☐ Yes ☐ No
19 Was any plan participant a 5% owner who had attained at least age 70 ½ during the prior plan year?	☐ Yes ☐ No

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 02/01/2016 and ending 01/31/2017

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

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

A Name of plan <u>SOUND COM CORPORATION DEFINED BENEFIT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SOUND COM CORPORATION</u>	D Employer Identification Number (EIN) <u>34-1137084</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>02</u> Day <u>01</u> Year <u>2016</u>	
2 Assets:	
a Market value	2a <u>690480</u>
b Actuarial value	2b <u>690480</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>0</u> (2) Vested Funding Target <u>0</u> (3) Total Funding Target <u>0</u>
b For terminated vested participants	<u>10</u> <u>161742</u> <u>161742</u>
c For active participants	<u>41</u> <u>604959</u> <u>725132</u>
d Total	<u>51</u> <u>766701</u> <u>886874</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>6.35 %</u>
6 Target normal cost	6 <u>45658</u>

Statement by Enrolled Actuary

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

SIGN HERE	
Signature of actuary <u>SETH H. PITASKY, EA, MAAA, MSPA</u>	<u>11/06/2017</u> Date
Type or print name of actuary <u>CBIZ RETIREMENT PLAN SERVICES</u>	<u>17-07321</u> Most recent enrollment number
Firm name <u>6050 OAK TREE BLVD SOUTH SUITE 500 CLEVELAND, OH 44131</u>	<u>216-447-9000</u> Telephone number (including area code)
Address of the firm	

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

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

**Schedule SB (Form 5500) 2016
v. 160205**

Part II		Beginning of Year Carryover and Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	151
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	2
9	Amount remaining (line 7 minus line 8)	0	149
10	Interest on line 9 using prior year's actual return of <u>-7.91</u> %	0	-12
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.53</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	137

Part III		Funding Percentages	
14	Funding target attainment percentage	14	77.84%
15	Adjusted funding target attainment percentage	15	77.84%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	88.42%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls	
18 Contributions made to the plan for the plan year by employer(s) and employees:			
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	
05/12/2016	13631	0	
08/15/2016	13631	0	
11/14/2016	13631	0	
12/30/2016	13631	0	
10/11/2017	37381	0	
Totals ►		18(b)	91905
		18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 86152
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V	Assumptions Used to Determine Funding Target and Target Normal Cost		
21	Discount rate:		
a	Segment rates:	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">1st segment: 4.43%</div> <div style="text-align: center;">2nd segment: 5.91%</div> <div style="text-align: center;">3rd segment: 6.65%</div> </div>	☐ N/A, full yield curve used
b	Applicable month (enter code)	21b	0
22	Weighted average retirement age	22	65
23	Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute		
Part VI	Miscellaneous Items		
24	Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No		
25	Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No		
26	Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No		
27	If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27	
Part VII	Reconciliation of Unpaid Minimum Required Contributions For Prior Years		
28	Unpaid minimum required contributions for all prior years	28	0
29	Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30	Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0
Part VIII	Minimum Required Contribution For Current Year		
31	Target normal cost and excess assets (see instructions):		
a	Target normal cost (line 6)	31a	45658
b	Excess assets, if applicable, but not greater than line 31a	31b	0
32	Amortization installments:	Outstanding Balance	Installment
a	Net shortfall amortization installment	196531	40471
b	Waiver amortization installment	0	0
33	If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33
34	Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34 style="text-align: center;">86129
	Carryover balance	Prefunding balance	Total balance
35	Balances elected for use to offset funding requirement	0	0
36	Additional cash requirement (line 34 minus line 35)		36 style="text-align: center;">86129
37	Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37 style="text-align: center;">86152
38	Present value of excess contributions for current year (see instructions)		
a	Total (excess, if any, of line 37 over line 36)	38a	23
b	Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0
39	Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39 style="text-align: center;">0
40	Unpaid minimum required contributions for all years		40 style="text-align: center;">0
Part IX	Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)		
41	If an election was made to use PRA 2010 funding relief for this plan:		
a	Schedule elected	☐ 2 plus 7 years ☐ 15 years	
b	Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42	Amount of acceleration adjustment	42	
43	Excess installment acceleration amount to be carried over to future plan years	43	

SCHEDULE SB ATTACHMENT

Line 26 - Schedule of Active Participant Data

Plan Name: Sound Com Corporation Defined Benefit Plan

EIN/PN: 34-1137084/002

Valuation Date: February 1, 2016

Compensation is show below only for cells where the counts are greater than 20.

Att. Age:	Years of Credited Service													Total
	Under	1	2	3	4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	
Under	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 to 29	-	-	-	1	-	1	-	-	-	-	-	-	-	2
30 to 34	-	1	-	1	-	2	-	-	-	-	-	-	-	4
35 to 39	-	-	2	1	-	1	3	2	-	-	-	-	-	9
40 to 44	-	-	1	1	-	3	2	2	-	-	-	-	-	9
45 to 49	-	-	-	-	1	3	1	2	-	-	-	-	-	7
50 to 54	-	-	-	-	-	-	1	1	1	1	-	-	-	4
55 to 59	-	-	-	-	-	1	-	-	2	-	-	-	-	3
60 to 64	-	-	-	-	-	-	-	-	1	-	-	-	2	3
65 to 69	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70 & Up	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	3	4	1	11	7	7	4	1	-	-	2	41

ACTUARIAL ASSUMPTIONS

Valuation Census Date Census data was provided by the Plan Sponsor as of February 01, 2016. We have reviewed the data for consistency and have no reason to doubt its substantial accuracy.

Valuation Interest Rates IRS-Prescribed Three-Segment Rates, for the month that includes the valuation date (Feb).

	24-Month Segment Rates	
	Unadjusted	Limited to 25 Year Corridor
Segment I:	1.43%	4.43%
Segment II:	3.94%	5.91%
Segment III:	4.96%	6.65%

The "Limited to 25 Year Corridor" rates are adjusted by the applicable maximum and applicable minimum percentages of the 25-year average segment rates, as set forth in the Highway and Transportation Funding Act of 2014 ('HATFA-14') for use in Minimum Required Contribution calculations. The IRS Maximum Deductible Limit Calculations use the rates from the "Unadjusted" column above.

The Effective Interest Rate (EIR) for the 2016 Plan Year was 6.35%. For the prior Plan year, the EIR was 6.53%.

The EIR is the single rate of interest which, if used to determine the Funding Target, would equal the Funding Target determined using the plan sponsor's above elected discount rates. The EIR is used to discount contributions for minimum funding requirements and to accumulate excess contributions to the end of the year.

Mortality Table Elected The IRS 2016 P.V. M Optional Combined (1.430(h)(3)-1) Table for males, and the IRS 2016 P.V. F Optional Combined (1.430(h)(3)-1) Table for females.

Valuation Assets Assets are equal to their Fair Market Value plus receivable contributions.

Expenses Administrative expenses were assumed to equal actual expenses in the prior year. Under this assumption, expenses of \$10,417 were included in the Normal Cost.

Salary Scale None.

ACTUARIAL ASSUMPTIONS

Taxable Wage Base Increases

None.

Inflation

None.

Marriage

75% of Males and 75% of Females are assumed to be married. Females are assumed to be 3 years younger than males. This assumption is expected to reflect actual plan experience but a formal analysis has not been conducted due to the lack of credible experience.

Retirement Rates

Retirement was assumed at the plan's Normal Retirement Age.

100% of future retirements are assumed to take a life annuity in the Plan's Normal Form. The valuation of participants in pay status is based on the actual form of payment elected by the participant, as provided in the census data.

Withdrawal Rates

2003 SOA Small Plan Turnover - Age Table (1000 lives or less)
Below is a table of representative rates.

Age	Rates
20	0.243000
25	0.195000
30	0.155000
35	0.121000
40	0.094000
45	0.073000
50	0.056000
55	0.042000
60	0.030000

Commencement of future deferred vested participants is assumed paid as an annuity in the Plan's Normal Form. Commencement is assumed at this age 65 since there is not enough credible experience to assume otherwise.

ACTUARIAL ASSUMPTIONS

Disability Incidence

The 1987 Commissioner's Group Disability Male Table for males, and the 1987 Commissioner's Group Disability Table for females. Below is a table of representative rates.

Age	Rates (M)	Rates (F)
20	0.000780	0.000980
25	0.000850	0.001070
30	0.000970	0.001360
35	0.001210	0.002000
40	0.001690	0.002700
45	0.002800	0.003870
50	0.005150	0.006100
55	0.009690	0.009400
60	0.014820	0.011980

Commencement of disability benefits are assumed to be immediate upon eligibility.

Disability Mortality

The IRS 2016 P.V. M Optional Combined (1.430(h)(3)-1) Table for males, and the IRS 2016 P.V. F Optional Combined (1.430(h)(3)-1) Table for females. Below is a table of representative rates.

Age	Rates (M)	Rates (F)
30	0.000380	0.000193
40	0.000841	0.000442
50	0.001321	0.001015
60	0.004478	0.004435
70	0.015440	0.014634
80	0.051083	0.039034

Changes in non-required assumptions since the prior valuation None.

ACTUARIAL METHODS

Minimum Funding Cost Method

The actuarial cost method used to determine the liabilities for minimum funding calculations is the Traditional Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for each participant. The individual accrued liability for a participant is the present value of the accrued benefit as of the valuation date taking into account service and/or pay as of the valuation date. The individual normal cost for a participant is the present value of the benefit expected to accrue in the plan year being valued.

If a plan is frozen, there is no normal cost attributable to benefit accruals.

Maximum deductible contribution method

The actuarial cost method used to determine the liabilities for maximum deductible calculations is the Projected Unit Credit method. The objective under this method is to fund each participant's benefits under the plan as they accrue, taking into consideration expected future compensation increases. Under this cost method, the actuarial accrued liability is the sum of the individual accrued liabilities for all participants and the normal cost is the sum of the individual normal costs for all participant. The individual accrued liability for a participant is the sum of 1) the present value of the accrued benefit earned as of the valuation date taking into account service and/or pay as of the valuation date; plus 2) the present value of the accrued benefit expected to be earned because of any expected future compensation increases.

The individual normal cost for a participant is the sum of the present value of the benefit expected to accrue in the plan year being valued taking into account any expected future compensation increases.

ACTUARIAL METHODS

Asset Method

We used financial data submitted by the trustee as of the valuation date without further audit. This information was not be verified by a plan's actuary. We have reviewed the information for internal consistency, and we have no reason to doubt is substantial accuracy.

Assets are equal to their Fair Market Value plus receivable contributions.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2016 This Form is Open to Public Inspection
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For calendar plan year 2016 or fiscal plan year beginning 02/01/2016 and ending 01/31/2017

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

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

A Name of plan SOUND COM CORPORATION DEFINED BENEFIT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF SOUND COM CORPORATION	D Employer Identification Number (EIN) 34-1137084	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☒ 100 or fewer ☐ 101-500 ☐ More than 500		

Part I Basic Information				
1 Enter the valuation date: Month <u>02</u> Day <u>01</u> Year <u>2016</u>				
2 Assets:				
a Market value.....	2a	690,480		
b Actuarial value	2b	690,480		
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target	
a For retired participants and beneficiaries receiving payment	0	0	0	
b For terminated vested participants	10	161,742	161,742	
c For active participants	41	604,959	725,132	
d Total	51	766,701	886,874	
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐				
a Funding target disregarding prescribed at-risk assumptions.....	4a			
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b			
5 Effective interest rate.....	5	6.35%		
6 Target normal cost	6	45,658		

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

SIGN HERE	SETH H. PITASKY, EA, MAAA, MSPA	11/06/2017 Date
Signature of actuary SETH H. PITASKY, EA, MAAA, MSPA		1707321 Most recent enrollment number
Type or print name of actuary CBIZ RETIREMENT PLAN SERVICES		216-447-9000 Telephone number (including area code)
Firm name 6050 OAK TREE BLVD SOUTH SUITE 500 CLEVELAND OH 44131 Address of the firm		

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

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	151
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	2
9	Amount remaining (line 7 minus line 8).....	0	149
10	Interest on line 9 using prior year's actual return of <u>-7.91%</u>	0	-12
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.53%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	137

Part III Funding Percentages			
14	Funding target attainment percentage	14	77.84%
15	Adjusted funding target attainment percentage	15	77.84%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	88.42%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
05/12/2016	13,631	0			
08/15/2016	13,631	0			
11/14/2016	13,631	0			
12/30/2016	13,631	0			
10/11/2017	37,381	0			
Totals ►			18(b)	91,905	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	86,152

20 Quarterly contributions and liquidity shortfalls:

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

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

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

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

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

21 Discount rate:			
a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 0
22 Weighted average retirement age			22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

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

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	45,658	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	196,531	40,471	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)....	34	86,129	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35).....	36	86,129	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	86,152	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	23	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

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

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

SCHEDULE SB ATTACHMENT

Line 19 - Discounted Employer Contributions

Plan Name: Sound Com Corporation Defined Benefit Plan

EIN/PN: 34-1137084/002

Valuation Date: February 1, 2016

Total Contributed: \$91,905.00

Total Discounted to Valuation Date: \$86,152.00

Date	Amount	Plan Year Beginning	Effective Rate of Interest	Amount Discounted	Penalty Rate of Interest	Additional Amount Discounted	Present Value on Date of Valuation
05/12/2016	13,631	02/2016	6.35%	230			13,401
08/15/2016	13,631	02/2016	6.35%	442			13,189
11/14/2016	13,631	02/2016	6.35%	642			12,989
12/30/2016	13,631	02/2016	6.35%	743			12,888
10/11/2017	37,381	02/2016	6.35%	3,696			33,685

SCHEDULE SB ATTACHMENT

Line 22 - Weighted Average Retirement Age

Plan Name: Sound Com Corporation Defined Benefit Plan

EIN/PN: 34-1137084/002

Valuation Date: February 1, 2016

Each participant is assumed to retire at his/her normal retirement age of 65.

SUMMARY of PLAN BENEFITS

Plan Effective Date	February 1, 1989. The plan was last amended and restated effective February 1, 2012.
Eligibility Requirements	First day of the calendar month coincident with or next following the date an Eligible Employee completes one (1) Year of Eligibility Service, which is defined as 300 Hours of Service worked during an Eligibility Computation Period. Any Employee who is a member of Local 1377 I.B.E.W. shall be eligible to participate in the Plan upon satisfaction of these eligibility requirements.
Vesting	100% vesting upon earning 5 Years of Vesting Service.
Accrued Benefit Formula	\$32 multiplied by the Participant's Years of Credited Service since January 31, 1979 at Normal Retirement Date or earlier termination of employment.
Credited Service	Generally, a Year of Service is a 12-consecutive month period during which an Employee is credited with at least 1000 Hours of Service with an Employer. Partial credit, determined to two decimal places, will be granted on a prorated basis for Hours of Service greater than 300 but less than 1000.
Vesting Service	A Year of Service for Vesting is a 12-month consecutive period in which an Employee is credited with at least 300 Hours of Service.
Normal Retirement Age	Upon attainment of 65.
Early Retirement	<u>Eligibility:</u> Upon attainment of age 60 and completion of 5 Years of Credited Service. <u>Benefit:</u> A Participant's Early Retirement Benefit shall be reduced by 6.66% for each year that his Early Retirement Date precedes his projected Normal Retirement Date.
Disability Retirement	<u>Eligibility:</u> Upon earning 5 Years of Service, and becoming eligible for Social Security Disability Benefits. <u>Benefit:</u> The unreduced Accrued Benefit payable immediately.
Pre-Retirement Death	<u>Eligibility:</u> Upon earning 5 Years of Service. <u>Benefit:</u> The spouse is eligible for 50% of the benefit that would have been payable, if the Participant had live to Early Retirement Eligibility and elected a 50% Qualified Joint and Survivor Annuity. The benefit is payable upon the Participant's Early Retirement Eligibility date.

SUMMARY of PLAN BENEFITS

Normal Form of Payment

Unless otherwise elected, the benefit payable a participant who has been married at least one year is an actuarially equivalent 50% Joint and Survivor benefit. For unmarried participants, the Normal Form is a straight-life annuity.

Optional Forms

Benefits may be elected from:

- 50% and 100% Joint and Survivor
- 5, 10 and 15 Year Certain and Continuous
- Straight Life Annuity

**Changes in Plan Benefits
recognized since the last
valuation**

None.

SCHEDULE SB ATTACHMENT

Line 32 - Amortization Bases Used in the Valuation

Plan Name: Sound Com Corporation Defined Benefit Plan

EIN/PN: 34-1137084/002

Valuation Date: February 1, 2016

<u>Original Valuation</u>	<u>Remaining Years</u>	<u>Amortization Type</u>	<u>Outstanding Balance</u>	<u>Current Year Amortization</u>
2/1/2016	7	7 year	110,287	18,222
2/1/2015	6	7 year	45,177	8,454
2/1/2014	5	7 year	50,091	10,905
2/1/2013	4	7 year	(8,477)	(2,259)
2/1/2012	3	7 year	6,793	2,363
2/1/2011	2	7 year	(20,701)	(10,575)
2/1/2010	1	7 year	13,361	13,361