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

2017

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

A This return/report is for:
- [X] a single-employer plan
- [ ] a multiple-employer plan (not multiemployer) (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [ ] a one-participant plan
- [ ] a foreign plan

B This return/report is
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
ALLPOINTS, INC. 401(K) PROFIT SHARING PLAN

1b Three-digit plan number (PN) ▶ 003

1c Effective date of plan 09/01/2001

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)
ALLPOINTS, INC.

909 LUNT AVENUE
SCHAUMBURG, IL 60193

2b Employer Identification Number (EIN) 36-4122228

2c Sponsor's telephone number 847-585-0160

2d Business code (see instructions) 238900

3a Plan administrator's name and address [X] Same as Plan Sponsor.

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report.
a Sponsor's name
c Plan Name

4b EIN

4d PN

5a Total number of participants at the beginning of the plan year	**5a**	5
b Total number of participants at the end of the plan year	**5b**	5
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**5c**	5
d(1) Total number of active participants at the beginning of the plan year	**5d(1)**	4
d(2) Total number of active participants at the end of the plan year	**5d(2)**	4
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**5e**	0

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2018	TIM GERHARDT
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2018	TIM GERHARDT
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) ..... [X] Yes [ ] No

b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions)..... [X] Yes [ ] No

If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... [ ] 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 III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	467164	87572
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	467164	87572
8 Income, Expenses, and Transfers for this Plan Year		**(a) Amount**	**(b) Total**
a Contributions received or receivable from: (1) Employers	8a(1)	7723	
(2) Participants	8a(2)	27878	
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b	-415193	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		-379592
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f		
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		
i Net income (loss) (subtract line 8h from line 8c)	8i		-379592
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

9a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2A 2E 2F 2G 2J 2K 3D

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 During the plan year:		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c	X		50000
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		460000
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		1022
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11	Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and line 11a below)	☐ Yes ☒ No
11a	Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40	**11a**
12	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.)	☐ Yes ☒ No
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)

E.R.I.S.A., Inc.

RICHARD M. PERLIN, JD QPA QKA

BENEFIT PLAN DESIGN AND SERVICE
PLAN TERMINATION
EMPLOYEE PLAN CONSULTING

5215 Old Orchard Road, Suite 1200, Skokie, IL 60077 • Phone: 847-583-2260 • Fax: 847-583-2261

October 9, 2018

RE: Allpoints, Inc. 401(k) Profit Sharing Plan & Trust | 2017 Form 5500-SF

To Whom It May Concern:

Part V, Line 10d of the 2017 Form 5500-SF indicates there was a loss during the 2017 Plan Year due to fraud or dishonesty. The Plan's Third Party Administrator during 2017, Vantage Benefit Administrators, has been accused of stealing funds from multiple retirement plans during 2016 and 2017. I have included an article from the American Society of Pension Professionals and Actuaries (ASPPA) which details the fraud that affected approximately 20 retirement plans.

Allpoints, Inc. has been unable to determine the precise amount of assets embezzled from the Allpoints, Inc. 401(k) Plan. The amount of $460,000 provided on Part V, Line 10d is an estimated value based on the plan assets as of 12/31/2016 and an estimated rate of return of 8.5% during the period 01/01/2017 – 12/31/2017.

The prior recordkeeper, Matrix Trust Company would not provide the Plan Sponsor or new Third Party Administrator with any asset information for the period 01/01/2017 – 06/04/2018. The new TPA, ERISA, Inc. made several attempts with our contact at Matrix to obtain 2017 reports, but were informed the 2017 reports we requested were unavailable. The only information we were able to obtain from Matrix Trust Company was the amount of assets as of 06/04/2018 to complete the transfer requested.

Please contact our office with any questions.

Sincerely,

Tyler Sendt, QKA
E.R.I.S.A., Inc.
5215 Old Orchard Rd., Suite 1200
Skokie, IL 60077
Phone: (847) 583-2262
Fax: (847) 583-2261

Encl.

March 26, 2018

TPA Theft Suit Adds Another Party

By Nevin Adams

A suit against third-party administrator Vantage Benefit Administrators has been amended to include another party alleged to be complicit in the theft of money from a number of retirement plans.

A suit against third-party administrator Vantage Benefit Administrators has been amended to include another party alleged to be complicit in the theft of money from a number of retirement plans.

Last December, MBA Engineering Inc. had accused Vantage Benefits Administrators, Inc., Vantage CEO Jeffrey A. Richie and Vantage CFO Wendy K. Richie of stealing approximately $2,269,653.43 from the company's retirement plans between June 3, 2016 and June 7, 2017, and since prior to those transfers, the plans' total combined balance was approximately $2.5 million, "…the Vantage Defendants' scheme was simply catastrophic to the Plans and the participants' retirement savings."

The action followed an Oct. 31 raid by the Federal Bureau of Investigation on the offices of Vantage Benefits Administrators "amid concerns that money may be missing from retirement accounts the company manages." Vantage Benefits described itself as a full-service TPA specializing in corporate benefit programs, with a focus on small plans (under $10 million).

Transfer 'Points'

The MBA suit, filed in December, outlined a scheme whereby Vantage directed Matrix Trust Company to make a series of transfers from the plan trust accounts to an account maintained by Vantage at Bank of America "without any authorization or direction from MBA, as the plan sponsor and the plan administrator."

The now-amended complaint, which adds Matrix Trust Company as a defendant, charges that the Vantage defendants "misappropriated the Plans' assets through thirty-five fraudulent transfers made by Matrix to Vantage Benefits over the course of twelve months," and that "Matrix made these numerous and substantial transfers of ERISA plan assets directly to Vantage Benefits without any direction or authorization of any kind from MBA or Meidinger as the ERISA administrator and the Trustee, respectively, of the Plans."

The plaintiffs charge that, "by holding the assets of the Plans without any authorization from the Plaintiffs and by making the transfers of assets of the Plans to Vantage Benefits without any authorization or direction by Plaintiffs, Matrix exercised authority and control over the assets of the ERISA governed Plans and held fiduciary status as to the Plans under ERISA." The complaint claims that "Matrix knew that all of the thirty-five fraudulent transfers were made to the same business bank account held in the name of Vantage Benefits itself, and not in the name of the Plans, and that the transfers depleted nearly the entire multimillion-dollar account balance held in the names of the Plans at Matrix."

'Fake' News

As was noted in other litigation involving Vantage, here many of the transfers used fake participant names and Social Security numbers. What is different here is that the plaintiffs state that "Matrix took no action to protect the MBA ERISA Plan assets held within its possession and control," and that "upon information and belief, Matrix made similar transfers to Vantage Benefits of assets totaling more than $11,000,000 from the accounts of approximately twenty other retirement plans."

This particular complaint charges that before making those fraudulent transfers to Vantage Benefits, Matrix "took possession and control of millions of dollars of assets of the Plans without there being any written, or even oral, agreement between Matrix and the Plaintiffs or the Plans." Moreover, the plaintiffs claim that "there is no, and never has been, any agreement whatsoever between Plaintiffs or the Plans, on one hand, and Matrix, on the other hand, concerning the Plans and the assets of the Plans," nor is there, and never had been any agreement between the plaintiffs or the Plans and Matrix "that authorized Matrix to make transfers of the assets of the Plans at the instruction or direction of the Vantage Defendants." Nonetheless, the suit alleges that "Matrix unilaterally completed each fraudulent transfer of assets of the Plans into the Vantage Benefits bank account solely at the instruction and direction of the Vantage Defendants," and not only "…never informed the Plaintiffs that the transfers were being made," but "…never provided the Plaintiffs with the monthly trust account statements it produced for the Plans," and "…never communicated at all with the Plaintiffs either orally or in writing."

Statements Missing

Moreover, the plaintiffs claim that, solely at the direction of the Vantage Defendants, and "without any authority from the Plaintiffs," Matrix completed each fraudulent transfer on a non-reportable basis for federal and state tax purposes, "even though these types of retirement plan distributions are required to be reported to the Internal Revenue Service," and that "without receiving trust statements showing the actual and depleted balances of the Plans' accounts at Matrix and without receiving copies of IRS required reporting documents," the plaintiffs "did not, and could not have, reasonably discovered the theft until the Vantage Defendants had stolen nearly all of the Plans' assets." Indeed, they note that they "did not discover the theft of the Plans' assets until federal law enforcement authorities raided the Vantage Benefits office and shut down the operation of Vantage Benefits."

The suit notes that "the Vantage Defendants misrepresented the value of participant account balances in the Plans by falsifying account statements and information on the Vantage Benefits participant website in order to maintain the appearance that the participant accounts contained the appropriate funds," with the "…intent to defraud the Plans' participants and Plaintiffs and to hide the Vantage Defendants' fraudulent conduct," and that both the plaintiffs here, and the plans' participants, "…relied on the Vantage Defendants' misstatements to their extreme detriment," specifically that, between June 2016 and June 2017, "the Vantage Defendants siphoned off to their own use millions of dollars from the assets of the Plans."

While the suit states that the Vantage Defendants and Matrix "must repay the assets stolen and unilaterally transferred from the Plans, with lost earnings or interest," the complaint goes on to note that "in light of the depravity of the Vantage Defendants' fraudulent scheme, Plaintiffs seeks exemplary damages against the Vantage Defendants based on their outright fraud," as well as an injunction "to stop the Vantage Defendants from further illegally transferring the Plans' assets, and barring the Vantage Defendants from performing services to any employee benefit plans in the future." They also seek "a writ of attachment of any property or Plan assets in the Vantage Defendants' possession or control, in an amount necessary to secure the Vantage Defendants' debt to Plaintiffs," to "prevent further damage to the Plans." Those exemplary damages requested are in the amount of $6,808,960.29.

Functional Fiduciary

The suit characterizes Matrix' role as that of a "functional fiduciary," with respect to the plans in question "because it, in fact, exercised authority and control over the Plans' assets." The suit notes that Matrix "exercised authority and control" over the plans' assets by "unilaterally disbursing those assets without any authorization or direction from Plaintiffs," going on to note that saying "Matrix did not have control over the Plans' assets while Matrix held them is to say that no one had control during this time."

The suit alleges that "even though Matrix knew that the Vantage Defendants were not the account holders or depositors of the Plans' assets it held, Matrix completed each fraudulent transfer solely at the instruction of the Vantage Defendants, without authority or direction from the Plaintiffs or the Plans," and that "this unauthorized disposition of ERISA plan assets renders Matrix an ERISA fiduciary."

In its claim for relief against Matrix, the plaintiffs note that a fiduciary is "liable for a breach of fiduciary responsibility of another fiduciary with respect to the same plan" when they participate "knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach," or if by a failure in the administration of their "specific responsibilities which give rise to his status as a fiduciary, he has enabled such other fiduciary to commit a breach," or "if he has knowledge of a breach by such other fiduciary, unless he makes reasonable efforts under the circumstances to remedy the breach."

The suit does reference a Nov. 25, 2014, "Letter of Acceptance" sent from Matrix (then known as MG Trust Company) to Fidelity Investments, which was then the MBA 401(k) Plan's trustee, in which Matrix allegedly acknowledged that it was the "Successor Trustee for MBA Engineering Inc. Employees 401k Plan," and was appointed as such effective Jan. 30, 2015. The suit notes that Matrix has alleged that this document was forged, "but has not provided Plaintiffs with any evidence to date that supports this claim."

As for the anticipated argument from the defendants that Matrix was a custodian of the MBA 401(k) Plan's assets and not a trustee, the suit invokes language from the MBA 401(k) plan document (though it doesn't indicate that Matrix saw, or was a signatory to that document) as stating that a "Custodian has the same powers, rights and duties as a nondiscretionary Trustee," and that "any reference in the Plan to a Trustee also is a reference to a Custodian unless the context of the Plan indicates otherwise."

The plaintiffs also claim that (at least based on their own trust statements) that Matrix was aware that MBA 401(k) Plan participants could only direct their retirement assets into one money market fund or a series of mutual funds that were offered as investment options by the MBA 401(k) Plan, rather than the self-directed brokerage account, such as was offered by Hilltop Securities (to where the funds were transferred). Moreover, as noted above, the suit claims that 25 of the 35 fraudulent transfers were done using fake names and Social Security numbers – and that Matrix "knew or had reason to know that the purported individuals associated with these wire transfers were not participants in the Plans," and completed these wire transfers "despite the frequency and magnitude of the transfers." The plaintiffs note that roughly thirty-four (34) large wire transfers were made from the MBA 401(k) Plan over the course of a twelve-month period, "…from a Plan that had only forty (40) active participants at the end of the 2015 Plan year."

All told, the transfers made by Matrix at the direction of the Vantage Defendants "depleted nearly 88% of the MBA 401(k) Plan's total value between June 2, 2016 and June 3, 2017." Similarly, the $94,000 transferred from the cash balance plan amounted to a 45% decrease in the plan's assets. The plaintiffs also note that while the plan only allowed for distributions in the event of termination, retirement, disability or death, Matrix processed the transfers as "distributions," even though they were allegedly "aware that some of these participants continued to make contributions into the Plans afterwards."

Here the plaintiffs claim that Matrix knew that the directed transfers resulted in a nearly 88% reduction in the MBA 401(k) plan's value, that although Vantage instructed that these wire transfers be styled as "distributions" to be made on a non-reportable basis, that "Matrix knew that if these wire transfers were valid participant distributions, these distributions were required to be reported to the IRS," and that "Matrix knew or should have known that the Plans only allowed distributions to participants in certain situations," and yet those "participants continued to make contributions into the Plans," concluding that Matrix "therefore, knew that the Vantage Defendants were failing to discharge their fiduciary obligations in accordance with the Plans' terms and ERISA."

In sum, the plaintiffs argue, "Matrix's role in making the transfers of funds out of the Plans' accounts held by Matrix as part of the Vantage Defendants' fraudulent scheme, and Matrix's failure to take any action to protect the Plans' assets, is a breach of Matrix's fiduciary duties to the Plans and the participants in the Plans. Matrix is equally responsible and liable for the losses suffered by the Plans."

The retirement accounts of the MBA participants, at least, appear to be "covered." The suit notes that, once the theft was discovered, they immediately "established new Plan trust accounts, transferred any remaining assets from Matrix's possession to the new accounts, and loaned additional funds into these trust accounts to make the Plans whole."

A default judgment was handed down by Judge David C. Godbey of the U.S. District Court for the Northern District of Texas in early March (*Caldwell and Partners Inc. v. Vantage Benefits Administrators*, N.D. Tex., No. 3:17-cv-03459-N, default judgment 3/8/18) – against Vantage Benefits Administrators, Inc. and its CEO Jeffrey A. Richie for $10,170,452 in damages, plus $297,836 in attorneys' fees and costs for violating the Employee Retirement Income Security Act on behalf of Caldwell and Partners, Inc. (CPI) as sponsor of and on behalf of the Caldwell and Partners, Inc. 401(k) Plan.