

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2018 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/27/2018</u>			
A	This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)	
	☒ a single-employer plan	☐ a DFE (specify) ____	
B	This return/report is:	☐ the first return/report ☐ an amended return/report ☒ the final return/report ☒ a short plan year return/report (less than 12 months)	
C	If the plan is a collectively-bargained plan, check here. ▶ ☐		
D	Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ special extension (enter description)	☐ the DFVC program

Part II	Basic Plan Information —enter all requested information		
1a	Name of plan <u>ADAPTIVE METHODS 401(K) PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>001</u>
		1c	Effective date of plan <u>01/01/2000</u>
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) <u>L3 TECHNOLOGIES, INC.</u> <u>5860 TRINITY PARKWAY, SUITE 200</u> <u>CENTREVILLE, VA 20120</u>	2b	Employer Identification Number (EIN) <u>52-0970306</u>
		2c	Plan Sponsor's telephone number <u>703-968-8040</u>
		2d	Business code (see instructions) <u>541330</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.

SIGN HERE	Filed with authorized/valid electronic signature.	09/30/2019	TODD A. STAWARZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	09/30/2019	DAVID W. GOFFE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2018)
v. 171027

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
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 ADAPTIVE METHODS, INC. c Plan Name ADAPTIVE METHODS 401(K) PLAN	4b EIN 52-0970306 4d PN 001
5 Total number of participants at the beginning of the plan year	5 114
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 88 6a(2) 0 6b 0 6c 0 6d 0 6e 0 6f 0 6g 0 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2J 2E 2F 2K 2G 2R 2S 2T 3D b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1)** ☒ **R** (Retirement Plan Information)
- (2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3)** ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1)** ☒ **H** (Financial Information)
- (2)** ☐ **I** (Financial Information – Small Plan)
- (3)** ☒ 1 **A** (Insurance Information)
- (4)** ☒ **C** (Service Provider Information)
- (5)** ☒ **D** (DFE/Participating Plan Information)
- (6)** ☐ **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2018 Form M-1 annual report. If the plan was not required to file the 2018 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/27/2018	
A Name of plan ADAPTIVE METHODS 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 L3 TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 52-0970306

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	039127	0	01/01/2018	12/27/2018

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid 0	(b) Total amount of fees paid 0
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3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).
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(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 0**5** Current value of plan's interest under this contract in separate accounts at year end **5** 0**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**
Specify nature of costs ▶**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GUARANTEED GENERAL ACCOUNT CONTRACT****b** Balance at the end of the previous year **7b** 2069523**c** Additions: (1) Contributions deposited during the year **7c(1)** 108507
(2) Dividends and credits **7c(2)**
(3) Interest credited during the year **7c(3)** 39643
(4) Transferred from separate account **7c(4)** 407679
(5) Other (specify below) **7c(5)** 535005▶ **LOAN REPAYMENTS TRANSFERS IN MISCELLANEOUS IN**(6) Total additions **7c(6)** 1090834**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 3160357**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 3017267
(2) Administration charge made by carrier **7e(2)** 102
(3) Transferred to separate account **7e(3)** 41249
(4) Other (specify below) **7e(4)** 101739▶ **LOAN INITIATIONS TRANSFERS OUT, FORFEITURES DEBITS MISCELLANEOUS OUT**(5) Total deductions **7e(5)** 3160357**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
 b ☐ Dental
 c ☐ Vision
 d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
 f ☐ Long-term disability
 g ☐ Supplemental unemployment
 h ☐ Prescription drug
i ☐ Stop loss (large deductible)
 j ☐ HMO contract
 k ☐ PPO contract
 l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount	10b	

Specify nature of costs.

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/27/2018	
A Name of plan ADAPTIVE METHODS 401(K) PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 L3 TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 52-0970306

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

THE WASHINGTON INSURANCE GROUP

52-1719839

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE	38338	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

PRUDENTIAL RETIREMENT INSURANCE AND

06-1050034

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 37 50 64	NONE	5278	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
PRUDENTIAL RETIREMENT INSURANCE AND	15 64	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PRUDENTIAL RETIREMENT INSURANCE AND 06-1050034	15.000 BPS AND \$0.00 PER PARTICIPANT INVESTED IN THE FUND FROM 1/1/2018 TO 12/31/2018 GUARANTEED INCOME FUND	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/27/2018

A Name of plan <u>ADAPTIVE METHODS 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>L3 TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>52-0970306</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>BALANCED I/WELLINGTON</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-084</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CORE BOND / PGIM FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-250</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>DRYDEN S&P 500 INDEX FUND</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-123</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>GOVT SEC ENHD IDX/PGIM FD</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-133</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>LCV/BARROW HANLEY</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-312</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MCG/ARTISAN PARTNER</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-185</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>MCV/INTEGRITY</u>				
b Name of sponsor of entity listed in (a): <u>PRUDENTIAL RETIREMENT INS.</u>				
c EIN-PN <u>06-1050034-441</u>	d Entity code <u>P</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	<u>0</u>	

a Name of MTIA, CCT, PSA, or 103-12 IE: NT DAILY RUSSELL 2000 IDX

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-630	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: NT RUSSELL 3000 EQ IDX

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-621	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE 2020 FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-679	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE 2030 FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-681	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE 2040 FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-683	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE 2050 FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-685	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE 2060 FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-803	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: PRU DAY ONE INCOME FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-698	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: QMA MID CAP INDEX FUND

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-833	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: MCG/FONTIER CAPITAL

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-559	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: SA/OFF GLOBAL STRATEGY

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-308	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: SCG/TIMESSQUARE

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-132	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: SCV/KENNEDY CAPITAL

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-257	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: TEMPLETON FOREIGN STRAT

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-080	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: TRP GRO STK STRATII

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-434	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: LCV/LSV ASSET MGMT

b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INS.

c EIN-PN 06-1050034-318	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/27/2018		
A Name of plan ADAPTIVE METHODS 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 L3 TECHNOLOGIES, INC.	D Employer Identification Number (EIN) 52-0970306	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	99294	0
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)	22358	0
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)	20889739	0
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	2529442	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	2069523	0
(15) Other	1c(15)	926453	0

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(1)	Employer securities	1d(1)	
(2)	Employer real property	1d(2)	
e	Buildings and other property used in plan operation	1e	
f	Total assets (add all amounts in lines 1a through 1e)	1f	26536809 0
Liabilities			
g	Benefit claims payable	1g	
h	Operating payables	1h	
i	Acquisition indebtedness	1i	
j	Other liabilities	1j	
k	Total liabilities (add all amounts in lines 1g through 1j)	1k	0 0
Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	26536809 0

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	644972
	(B) Participants	2a(1)(B)	1017490
	(C) Others (including rollovers)	2a(1)(C)	
(2)	Noncash contributions	2a(2)	
(3)	Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)	1662462
b	Earnings on investments:		
(1)	Interest:		
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	
	(B) U.S. Government securities	2b(1)(B)	
	(C) Corporate debt instruments	2b(1)(C)	
	(D) Loans (other than to participants)	2b(1)(D)	
	(E) Participant loans	2b(1)(E)	4999
	(F) Other	2b(1)(F)	39643
	(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)	44642
(2)	Dividends: (A) Preferred stock	2b(2)(A)	
	(B) Common stock	2b(2)(B)	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	64647
	(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)	64647
(3)	Rents	2b(3)	
(4)	Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	
	(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)	0
(5)	Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)	
	(B) Other	2b(5)(B)	
	(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)	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)		-1401020
(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)		-406893
c Other income.....	2c		29135
d Total income. Add all income amounts in column (b) and enter total	2d		-7027

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	3582215	
(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)		3582215
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
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)	45378	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		45378
j Total expenses. Add all expense amounts in column (b) and enter total	2j		3627593

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-3634620
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		22902189

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: LINTON SHAFER WARFIELD & GARRETT PA

(2) EIN: 52-1273734

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
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d		X	
e Was this plan covered by a fidelity bond?	X		500000
4e	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	X		
4k	X		
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year 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)
L3 TECHNOLOGIES MASTER SAVINGS PLAN	13-3937436	031

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.)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/27/2018

A Name of plan <u>ADAPTIVE METHODS 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>L3 TECHNOLOGIES, INC.</u>	D Employer Identification Number (EIN) <u>52-0970306</u>

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

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>22-1211670</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

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

Schedule R (Form 5500) 2018
v. 171027

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): _____

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

a The current year

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****14c**

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

a The corresponding number for the plan year immediately preceding the current plan year

b The corresponding number for the second preceding plan year

15a**15b**

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

a Enter the number of employers who withdrew during the preceding plan year

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

16a**16b**

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

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

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

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

- a** Enter the percentage of plan assets held as:

Stock: _____ % Investment-Grade Debt: _____ % High-Yield Debt: _____ % Real Estate: _____ % Other: _____ %

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

**ADAPTIVE METHODS
401(K) PLAN**

**Financial Statements and Independent
Auditors' Report**

**For the Year Ended
December 31, 2018**

LSVG
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS



Certified Public Accountants & Business Consultants

Accounting for your success since 1965

Independent Auditors' Report

To the Administrative Committee of the
Adaptive Methods 401(K) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Adaptive Methods 401(K) Plan, which comprise the statement of net assets available for benefits as of December 31, 2018 (in liquidation), and the related statement of changes in net assets available for benefits for the year ended December 31, 2018 (in liquidation), and the statement of net assets available for benefits as of December 31, 2017 (ongoing), 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 audits 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 9, which was certified by Prudential Bank and Trust, F.S.B., the trustee of the Plan, and Prudential Retirement Insurance and Annuity Company, 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 and for the years ended December 31, 2018 and 2017, 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

As discussed in Note 4 to the financial statements, the governing body of Adaptive Methods 401K Plan approved a plan of liquidation on August 7, 2018, and liquidation commenced December 27, 2018. As a result, the Plan has changed its basis of accounting from the accrual basis used in presenting the 2017 financial statements to the liquidation basis used in presenting the 2018 financial statements. Our opinion is not modified with respect to that matter.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, 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.

Linton Shafer Warfield & Garrett, P.A.

September 20, 2019
Rockville, Maryland

Adaptive Methods 401(K) Plan
Statements of Net Assets Available for Benefits
December 31,

	Liquidation Basis 2018	Accrual Basis 2017
Assets		
Receivables:		
Employer contribution	\$ -	\$ 76,246
Employee contribution	-	21,331
Notes receivable from participants	-	22,358
Total Receivables	-	119,935
Investments at fair value:		
Registered investment companies/mutual funds	-	2,529,441
Pooled separate accounts	-	20,889,739
Self directed brokerage accounts	-	1,025,747
Total Investments at Fair Value	-	24,444,927
Investments at contract value:		
Guaranteed income fund	-	2,069,523
Total Investments at Contract Value	-	2,069,523
Total Assets	\$ -	\$ 26,634,385
 Net Assets Available for Benefits	 \$ -	 \$ 26,634,385

The accompanying notes are an integral part of these statements.

Adaptive Methods 401(K) Plan
Statement of Changes in Net Assets Available for Benefits (Liquidation Basis)
For the Year Ended December 31, 2018

Additions to Net Assets Attributed to:

Contributions:

Participant contributions	\$ 996,159
Employer contributions	<u>573,727</u>
Total Contributions	1,569,886

Investment income:

Interest and dividends	111,614
Net depreciation in fair value of investments	(6,372,005)
Realized gain on sale of investments	<u>4,547,057</u>
Total Investment Income (Loss)	(1,713,334)

Interest on notes receivable from participants	<u>4,999</u>
--	--------------

Total Additions (Loss) to Net Assets	<u>(138,449)</u>
--------------------------------------	------------------

Deductions from Net Assets Attributed to:

Benefits paid to participants	3,582,214
Forfeitures	6,011
Other expenses	<u>5,522</u>

Total Deductions from Net Assets	<u>3,593,747</u>
----------------------------------	------------------

Net Decrease in Net Assets	(3,732,196)
-----------------------------------	--------------------

Net Assets Available

for Benefits - Beginning of Year	26,634,385
---	-------------------

Assets transferred to another plan	<u>(22,902,189)</u>
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Net Assets Available

for Benefits - End of Year	\$ <u>-</u>
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The accompanying notes are an integral part of this statement.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

1. Plan Description

The following description of Adaptive Methods (the Plan Sponsor) 401(K) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan became effective January 1, 2000. It is a defined contribution plan under the provisions of Section 401(a) of the Internal Revenue Code (IRC), which includes a qualified cash or deferred arrangement as described in section 401(k) of the IRC, for the benefit of eligible employees of the Company. All employees of the Company (except interns) who are 21 years of age or older are eligible to participate. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions – Each year, participants may elect to defer a percentage of their compensation, subject to IRS limitations, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company matches 100% of participant deferrals that do not exceed 3% of base compensation, plus 50% of salary deferrals between 3% and 5% of base compensation. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors. The profit sharing contribution percentage was 2% for the 2018. The total matching contributions for the year ended December 31, 2018 was \$401,256. The total profit sharing contributions for the year ended December 31, 2018 was \$172,471.

Participant Accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Sponsor's contribution and (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are immediately vested in their contributions and the Plan Sponsor's matching contribution plus actual earnings thereon. Vesting in the Plan Sponsor's profit sharing contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after one year of credited service, or are employed on or after normal retirement age, or terminate employment on account of death or permanent disability.

Notes receivable from Participants – Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with the bank prime rate reported by the U.S. Federal Reserve plus 2% at the time the loan is taken. Principal and interest is paid ratably through biweekly payroll deductions. Each participant is limited to one loan at any given time.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

1. Plan Description (continued)

Payments of Benefits – On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeited Accounts – Forfeitures of non-vested Plan Sponsor contributions will be allocated as additional profit sharing contributions. For the year ended December 31, 2018 \$288 was forfeited by terminated employees. For the year ended December 31, 2018, \$5,001 of the forfeiture funds were used to pay discretionary contributions. As of December 31, 2017, forfeited non-vested accounts totaled \$5,667 that has not been allocated as additional profit sharing contributions.

Administrative Expenses - Certain expenses incurred in the administration of the Plan are paid directly by the Plan Sponsor. The Plan is not required to reimburse the Plan Sponsor for any administrative expenses paid by the Plan Sponsor. Total fees paid by the Plan are \$45,378 which are netted against realized gains on sale of investments for financial statement purposes.

2. Summary of Significant Accounting Policies

Basis of Accounting - In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting to the liquidation basis for 2018. The accrual basis of accounting was used for 2017.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition - The Plan's investments, except for the fully benefit-responsive investment contract, are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan management determines the Plan's valuation policies utilizing information provided by the trustee. See Note 3 for discussion of fair value measurements.

The Plan's fully benefit-responsive investment contract is reported at contract value. See Note 5 for discussion on the fully benefit-responsive investment contract.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

Participant contributions and employer matching contributions are recognized on the pay date which they relate. Employer profit sharing contributions are recognized in the year designated by the Plan Sponsor.

Participant Notes Receivable - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. The notes bear interest at rates that are commensurate with the bank prime rate reported by the U.S. Federal reserve plus 2% at the time the loan is taken, which ranges from 5.25% - 7.25% in 2018. Delinquent notes from participants are reclassified as distributions based upon the terms of the Plan documents. The loan balances at December 31, 2018 and 2017 were \$0 and \$22,358, respectively.

Payments of Benefits - Benefits are recorded when paid.

3. Fair Value Measurements

FASB Codification Standard, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the FASB Codification Standard 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 (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, and (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets 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.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

3. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

Pooled separate accounts: Valued at the net asset value (NAV) of shares held at the end of the plan year.

Registered investment companies/mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end. The mutual funds held by the Plan are mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Self-directed brokerage accounts: Includes participant directed investments and are valued at the closing price reported on the active market on which the individual securities are rated.

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

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

3. Fair Value Measurements (continued)

At December 31, 2018 and 2017, the Plan's investments were held by the trustee. The following is a summary of the Plan's financial information that is included in the financial statements. The fair value of investments at December 31, 2018 and 2017, is summarized as follows:

	Fair Value Measurement Using:			
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2018				
Registered investment companies/ mutual funds	\$ -	\$ -	\$ -	\$ -
Pooled separate accounts	-	-	-	-
Self-directed brokerage accounts	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2017				
Registered investment companies/ mutual funds	\$ 2,529,441	\$ 2,529,441	\$ -	\$ -
Pooled separate accounts	20,889,739	-	-	-
Self-directed brokerage accounts	<u>1,025,747</u>	<u>1,025,747</u>	-	-
Total	<u>\$ 24,444,927</u>	<u>\$ 3,555,188</u>	<u>\$ -</u>	<u>\$ -</u>

During the year ended December 31, 2017, the Plan adopted the provisions of FASB Accounting Standards Update 2015-07: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share. In accordance with ASU 2015-07, certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the total column of the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

4. Plan Termination

The Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

On September 8, 2017 the Plan Sponsor was sold. On August 7, 2018 Adaptive Methods, Inc. approved a plan of liquidation and on December 28, 2018 the Plan assets were migrated to L-3 Technologies Inc. Master Savings Plan. On August 7, 2018, all account balances of the plan participants became 100% vested and were no longer subject to forfeiture.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

4. Plan Termination (continued)

In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the accrual basis to the liquidation basis for periods after August 7, 2018. As there were not significant variances between liquidation basis and accrual basis for 2018, the entire year was provided on the liquidation basis of accounting.

5. Fully Benefit Responsive Investment Contract

The Plan has a fully benefit responsive investment contract with Prudential Retirement and Annuity Company (Prudential). Prudential maintains the contributions in a general account, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. In determining the net assets available for benefits, the contract is included in the accompanying financial statements at contract value, which represents contributions made under the contract plus earnings, less withdrawals and administrative expenses.

Because the guaranteed investment contract is fully benefit responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed investment contract is presented at contract value on the face of the statements of net assets available for benefits. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

6. Tax Status

The Plan received a letter from the Internal Revenue Service identifying the Plan as acceptable under section 401 of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is currently designed and is currently being operated in compliance with applicable requirements of the IRC and, therefore believes the Plan is qualified.

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 or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

7. Related Party Transaction

Certain Plan investments are managed by Prudential Retirement Insurance and Annuity Company, the service provider of the Plan. Due to this relationship, these transactions qualify as party-in-interest transactions, however they are exempt for the ERISA prohibited transaction rules. Fees paid by the Plan for these investment management services amounted to \$6,870 for the year ended December 31, 2018 which are netted against the realized gains on sale of investments for financial statement purposes.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed for various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Information Certified by the Plan's Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Bank and Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company have certified as to the completeness and accuracy of all investments and participant notes receivable reflected in the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018 and the accompanying notes to the financial statements.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

9. Information Certified by the Plan's Trustee (continued)

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the trustee:

	<u>December 31,</u> <u>2018</u>	<u>2017</u>
Investments		
Guaranteed income fund	\$ -	\$ 2,069,523
Registered investment companies/mutual funds	-	2,529,441
Pooled separate accounts	-	20,889,739
Self-directed brokerage accounts	-	1,025,747
Notes receivable from participants	-	22,358
Total	<u>\$ -</u>	<u>\$ 26,536,808</u>
		Year Ended December 31,
Investment income (loss)		<u>2018</u>
Interest and dividends		\$ 111,614
Net depreciation in fair value of investments		(6,372,005)
Realized gain on sale of investments		4,547,057
Total Investment Income (Loss)		<u>\$ (1,713,334)</u>

10. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2018 and 2017 to Schedule H of Form 5500:

	<u>December 31,</u> <u>2018</u>	<u>2017</u>
Net assets available for benefits per the financial statements	\$ -	\$ 26,634,385
Employer contributions receivable	-	(76,246)
Employee contributions receivable	-	(21,331)
Rounding	-	1
Net assets available for benefits per Schedule H of the Form 5500	<u>\$ -</u>	<u>\$ 26,536,809</u>

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

10. Reconciliation to Form 5500 (continued)

The following is a reconciliation of contributions per the financial statements for the year ended December 31, 2018 to Schedule H of Form 5500:

	<u>Employer</u>	<u>Participant</u>
Contributions per financial statements	\$ 573,727	\$ 996,159
Forfeitures used for contributions	(5,001)	-
Contributions receivable at December 31, 2017, paid in January 2018	<u>76,246</u>	<u>21,331</u>
Contributions per Schedule H of the Form 5500	<u><u>\$ 644,972</u></u>	<u><u>\$ 1,017,490</u></u>

11. Subsequent Events

In preparing the financial statements, the Plan has evaluated subsequent events for potential recognition and disclosure through September 20, 2019, the date the financial statements were available to be issued. There were no significant events to report.

**ADAPTIVE METHODS
401(K) PLAN**

**Financial Statements and Independent
Auditors' Report**

**For the Year Ended
December 31, 2018**

LSVG
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS



Certified Public Accountants & Business Consultants

Accounting for your success since 1965

Independent Auditors' Report

To the Administrative Committee of the
Adaptive Methods 401(K) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Adaptive Methods 401(K) Plan, which comprise the statement of net assets available for benefits as of December 31, 2018 (in liquidation), and the related statement of changes in net assets available for benefits for the year ended December 31, 2018 (in liquidation), and the statement of net assets available for benefits as of December 31, 2017 (ongoing), 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 audits 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 9, which was certified by Prudential Bank and Trust, F.S.B., the trustee of the Plan, and Prudential Retirement Insurance and Annuity Company, 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 and for the years ended December 31, 2018 and 2017, 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

As discussed in Note 4 to the financial statements, the governing body of Adaptive Methods 401K Plan approved a plan of liquidation on August 7, 2018, and liquidation commenced December 27, 2018. As a result, the Plan has changed its basis of accounting from the accrual basis used in presenting the 2017 financial statements to the liquidation basis used in presenting the 2018 financial statements. Our opinion is not modified with respect to that matter.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, 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.

Linton Shafer Warfield & Garrett, P.A.

September 20, 2019
Rockville, Maryland

Adaptive Methods 401(K) Plan
Statements of Net Assets Available for Benefits
December 31,

	Liquidation Basis 2018	Accrual Basis 2017
Assets		
Receivables:		
Employer contribution	\$ -	\$ 76,246
Employee contribution	-	21,331
Notes receivable from participants	-	22,358
Total Receivables	-	119,935
Investments at fair value:		
Registered investment companies/mutual funds	-	2,529,441
Pooled separate accounts	-	20,889,739
Self directed brokerage accounts	-	1,025,747
Total Investments at Fair Value	-	24,444,927
Investments at contract value:		
Guaranteed income fund	-	2,069,523
Total Investments at Contract Value	-	2,069,523
Total Assets	\$ -	\$ 26,634,385
 Net Assets Available for Benefits	 \$ -	 \$ 26,634,385

The accompanying notes are an integral part of these statements.

Adaptive Methods 401(K) Plan
Statement of Changes in Net Assets Available for Benefits (Liquidation Basis)
For the Year Ended December 31, 2018

Additions to Net Assets Attributed to:

Contributions:

Participant contributions	\$ 996,159
Employer contributions	<u>573,727</u>
Total Contributions	1,569,886

Investment income:

Interest and dividends	111,614
Net depreciation in fair value of investments	(6,372,005)
Realized gain on sale of investments	<u>4,547,057</u>
Total Investment Income (Loss)	(1,713,334)

Interest on notes receivable from participants	<u>4,999</u>
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Total Additions (Loss) to Net Assets	<u>(138,449)</u>
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Deductions from Net Assets Attributed to:

Benefits paid to participants	3,582,214
Forfeitures	6,011
Other expenses	<u>5,522</u>

Total Deductions from Net Assets	<u>3,593,747</u>
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Net Decrease in Net Assets	(3,732,196)
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Net Assets Available

for Benefits - Beginning of Year	26,634,385
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Assets transferred to another plan	<u>(22,902,189)</u>
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Net Assets Available

for Benefits - End of Year	\$ <u>-</u>
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The accompanying notes are an integral part of this statement.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

1. Plan Description

The following description of Adaptive Methods (the Plan Sponsor) 401(K) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan became effective January 1, 2000. It is a defined contribution plan under the provisions of Section 401(a) of the Internal Revenue Code (IRC), which includes a qualified cash or deferred arrangement as described in section 401(k) of the IRC, for the benefit of eligible employees of the Company. All employees of the Company (except interns) who are 21 years of age or older are eligible to participate. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions – Each year, participants may elect to defer a percentage of their compensation, subject to IRS limitations, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company matches 100% of participant deferrals that do not exceed 3% of base compensation, plus 50% of salary deferrals between 3% and 5% of base compensation. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors. The profit sharing contribution percentage was 2% for the 2018. The total matching contributions for the year ended December 31, 2018 was \$401,256. The total profit sharing contributions for the year ended December 31, 2018 was \$172,471.

Participant Accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Sponsor's contribution and (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are immediately vested in their contributions and the Plan Sponsor's matching contribution plus actual earnings thereon. Vesting in the Plan Sponsor's profit sharing contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after one year of credited service, or are employed on or after normal retirement age, or terminate employment on account of death or permanent disability.

Notes receivable from Participants – Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with the bank prime rate reported by the U.S. Federal Reserve plus 2% at the time the loan is taken. Principal and interest is paid ratably through biweekly payroll deductions. Each participant is limited to one loan at any given time.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

1. Plan Description (continued)

Payments of Benefits – On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeited Accounts – Forfeitures of non-vested Plan Sponsor contributions will be allocated as additional profit sharing contributions. For the year ended December 31, 2018 \$288 was forfeited by terminated employees. For the year ended December 31, 2018, \$5,001 of the forfeiture funds were used to pay discretionary contributions. As of December 31, 2017, forfeited non-vested accounts totaled \$5,667 that has not been allocated as additional profit sharing contributions.

Administrative Expenses - Certain expenses incurred in the administration of the Plan are paid directly by the Plan Sponsor. The Plan is not required to reimburse the Plan Sponsor for any administrative expenses paid by the Plan Sponsor. Total fees paid by the Plan are \$45,378 which are netted against realized gains on sale of investments for financial statement purposes.

2. Summary of Significant Accounting Policies

Basis of Accounting - In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting to the liquidation basis for 2018. The accrual basis of accounting was used for 2017.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition - The Plan's investments, except for the fully benefit-responsive investment contract, are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan management determines the Plan's valuation policies utilizing information provided by the trustee. See Note 3 for discussion of fair value measurements.

The Plan's fully benefit-responsive investment contract is reported at contract value. See Note 5 for discussion on the fully benefit-responsive investment contract.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

Participant contributions and employer matching contributions are recognized on the pay date which they relate. Employer profit sharing contributions are recognized in the year designated by the Plan Sponsor.

Participant Notes Receivable - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. The notes bear interest at rates that are commensurate with the bank prime rate reported by the U.S. Federal reserve plus 2% at the time the loan is taken, which ranges from 5.25% - 7.25% in 2018. Delinquent notes from participants are reclassified as distributions based upon the terms of the Plan documents. The loan balances at December 31, 2018 and 2017 were \$0 and \$22,358, respectively.

Payments of Benefits - Benefits are recorded when paid.

3. Fair Value Measurements

FASB Codification Standard, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the FASB Codification Standard 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 (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, and (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets 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.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

3. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

Pooled separate accounts: Valued at the net asset value (NAV) of shares held at the end of the plan year.

Registered investment companies/mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end. The mutual funds held by the Plan are mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Self-directed brokerage accounts: Includes participant directed investments and are valued at the closing price reported on the active market on which the individual securities are rated.

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

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

3. Fair Value Measurements (continued)

At December 31, 2018 and 2017, the Plan's investments were held by the trustee. The following is a summary of the Plan's financial information that is included in the financial statements. The fair value of investments at December 31, 2018 and 2017, is summarized as follows:

	Fair Value Measurement Using:			
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2018				
Registered investment companies/ mutual funds	\$ -	\$ -	\$ -	\$ -
Pooled separate accounts	-	-	-	-
Self-directed brokerage accounts	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2017				
Registered investment companies/ mutual funds	\$ 2,529,441	\$ 2,529,441	\$ -	\$ -
Pooled separate accounts	20,889,739	-	-	-
Self-directed brokerage accounts	<u>1,025,747</u>	<u>1,025,747</u>	-	-
Total	<u>\$ 24,444,927</u>	<u>\$ 3,555,188</u>	<u>\$ -</u>	<u>\$ -</u>

During the year ended December 31, 2017, the Plan adopted the provisions of FASB Accounting Standards Update 2015-07: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share. In accordance with ASU 2015-07, certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the total column of the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

4. Plan Termination

The Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

On September 8, 2017 the Plan Sponsor was sold. On August 7, 2018 Adaptive Methods, Inc. approved a plan of liquidation and on December 28, 2018 the Plan assets were migrated to L-3 Technologies Inc. Master Savings Plan. On August 7, 2018, all account balances of the plan participants became 100% vested and were no longer subject to forfeiture.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

4. Plan Termination (continued)

In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the accrual basis to the liquidation basis for periods after August 7, 2018. As there were not significant variances between liquidation basis and accrual basis for 2018, the entire year was provided on the liquidation basis of accounting.

5. Fully Benefit Responsive Investment Contract

The Plan has a fully benefit responsive investment contract with Prudential Retirement and Annuity Company (Prudential). Prudential maintains the contributions in a general account, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. In determining the net assets available for benefits, the contract is included in the accompanying financial statements at contract value, which represents contributions made under the contract plus earnings, less withdrawals and administrative expenses.

Because the guaranteed investment contract is fully benefit responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed investment contract is presented at contract value on the face of the statements of net assets available for benefits. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

6. Tax Status

The Plan received a letter from the Internal Revenue Service identifying the Plan as acceptable under section 401 of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is currently designed and is currently being operated in compliance with applicable requirements of the IRC and, therefore believes the Plan is qualified.

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 or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

7. Related Party Transaction

Certain Plan investments are managed by Prudential Retirement Insurance and Annuity Company, the service provider of the Plan. Due to this relationship, these transactions qualify as party-in-interest transactions, however they are exempt for the ERISA prohibited transaction rules. Fees paid by the Plan for these investment management services amounted to \$6,870 for the year ended December 31, 2018 which are netted against the realized gains on sale of investments for financial statement purposes.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed for various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Information Certified by the Plan's Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Bank and Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company have certified as to the completeness and accuracy of all investments and participant notes receivable reflected in the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018 and the accompanying notes to the financial statements.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

9. Information Certified by the Plan's Trustee (continued)

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the trustee:

	<u>December 31,</u> <u>2018</u>	<u>2017</u>
Investments		
Guaranteed income fund	\$ -	\$ 2,069,523
Registered investment companies/mutual funds	-	2,529,441
Pooled separate accounts	-	20,889,739
Self-directed brokerage accounts	-	1,025,747
Notes receivable from participants	-	22,358
Total	<u>\$ -</u>	<u>\$ 26,536,808</u>
		Year Ended December 31,
Investment income (loss)		<u>2018</u>
Interest and dividends		\$ 111,614
Net depreciation in fair value of investments		(6,372,005)
Realized gain on sale of investments		4,547,057
Total Investment Income (Loss)		<u>\$ (1,713,334)</u>

10. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2018 and 2017 to Schedule H of Form 5500:

	<u>December 31,</u> <u>2018</u>	<u>2017</u>
Net assets available for benefits per the financial statements	\$ -	\$ 26,634,385
Employer contributions receivable	-	(76,246)
Employee contributions receivable	-	(21,331)
Rounding	-	1
Net assets available for benefits per Schedule H of the Form 5500	<u>\$ -</u>	<u>\$ 26,536,809</u>

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

10. Reconciliation to Form 5500 (continued)

The following is a reconciliation of contributions per the financial statements for the year ended December 31, 2018 to Schedule H of Form 5500:

	<u>Employer</u>	<u>Participant</u>
Contributions per financial statements	\$ 573,727	\$ 996,159
Forfeitures used for contributions	(5,001)	-
Contributions receivable at December 31, 2017, paid in January 2018	<u>76,246</u>	<u>21,331</u>
Contributions per Schedule H of the Form 5500	<u><u>\$ 644,972</u></u>	<u><u>\$ 1,017,490</u></u>

11. Subsequent Events

In preparing the financial statements, the Plan has evaluated subsequent events for potential recognition and disclosure through September 20, 2019, the date the financial statements were available to be issued. There were no significant events to report.

**ADAPTIVE METHODS
401(K) PLAN**

**Financial Statements and Independent
Auditors' Report**

**For the Year Ended
December 31, 2018**

LSVG
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS



Certified Public Accountants & Business Consultants

Accounting for your success since 1965

Independent Auditors' Report

To the Administrative Committee of the
Adaptive Methods 401(K) Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Adaptive Methods 401(K) Plan, which comprise the statement of net assets available for benefits as of December 31, 2018 (in liquidation), and the related statement of changes in net assets available for benefits for the year ended December 31, 2018 (in liquidation), and the statement of net assets available for benefits as of December 31, 2017 (ongoing), 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 audits 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 9, which was certified by Prudential Bank and Trust, F.S.B., the trustee of the Plan, and Prudential Retirement Insurance and Annuity Company, 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 and for the years ended December 31, 2018 and 2017, 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

As discussed in Note 4 to the financial statements, the governing body of Adaptive Methods 401K Plan approved a plan of liquidation on August 7, 2018, and liquidation commenced December 27, 2018. As a result, the Plan has changed its basis of accounting from the accrual basis used in presenting the 2017 financial statements to the liquidation basis used in presenting the 2018 financial statements. Our opinion is not modified with respect to that matter.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements, 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.

Linton Shafer Warfield & Garrett, P.A.

September 20, 2019
Rockville, Maryland

Adaptive Methods 401(K) Plan
Statements of Net Assets Available for Benefits
December 31,

	Liquidation Basis 2018	Accrual Basis 2017
Assets		
Receivables:		
Employer contribution	\$ -	\$ 76,246
Employee contribution	-	21,331
Notes receivable from participants	-	22,358
Total Receivables	-	119,935
Investments at fair value:		
Registered investment companies/mutual funds	-	2,529,441
Pooled separate accounts	-	20,889,739
Self directed brokerage accounts	-	1,025,747
Total Investments at Fair Value	-	24,444,927
Investments at contract value:		
Guaranteed income fund	-	2,069,523
Total Investments at Contract Value	-	2,069,523
Total Assets	\$ -	\$ 26,634,385
 Net Assets Available for Benefits	 \$ -	 \$ 26,634,385

The accompanying notes are an integral part of these statements.

Adaptive Methods 401(K) Plan
Statement of Changes in Net Assets Available for Benefits (Liquidation Basis)
For the Year Ended December 31, 2018

Additions to Net Assets Attributed to:

Contributions:

Participant contributions	\$ 996,159
Employer contributions	<u>573,727</u>
Total Contributions	1,569,886

Investment income:

Interest and dividends	111,614
Net depreciation in fair value of investments	(6,372,005)
Realized gain on sale of investments	<u>4,547,057</u>
Total Investment Income (Loss)	(1,713,334)

Interest on notes receivable from participants	<u>4,999</u>
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Total Additions (Loss) to Net Assets	<u>(138,449)</u>
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Deductions from Net Assets Attributed to:

Benefits paid to participants	3,582,214
Forfeitures	6,011
Other expenses	<u>5,522</u>

Total Deductions from Net Assets	<u>3,593,747</u>
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Net Decrease in Net Assets	(3,732,196)
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Net Assets Available

for Benefits - Beginning of Year	26,634,385
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Assets transferred to another plan	<u>(22,902,189)</u>
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Net Assets Available

for Benefits - End of Year	\$ <u>-</u>
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The accompanying notes are an integral part of this statement.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

1. Plan Description

The following description of Adaptive Methods (the Plan Sponsor) 401(K) Plan (the Plan) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General – The Plan became effective January 1, 2000. It is a defined contribution plan under the provisions of Section 401(a) of the Internal Revenue Code (IRC), which includes a qualified cash or deferred arrangement as described in section 401(k) of the IRC, for the benefit of eligible employees of the Company. All employees of the Company (except interns) who are 21 years of age or older are eligible to participate. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions – Each year, participants may elect to defer a percentage of their compensation, subject to IRS limitations, as defined in the Plan. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Company matches 100% of participant deferrals that do not exceed 3% of base compensation, plus 50% of salary deferrals between 3% and 5% of base compensation. Additional profit sharing amounts may be contributed at the option of the Company's Board of Directors. The profit sharing contribution percentage was 2% for the 2018. The total matching contributions for the year ended December 31, 2018 was \$401,256. The total profit sharing contributions for the year ended December 31, 2018 was \$172,471.

Participant Accounts – Each participant's account is credited with the participant's contribution and allocations of (a) the Sponsor's contribution and (b) Plan earnings (losses), and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are immediately vested in their contributions and the Plan Sponsor's matching contribution plus actual earnings thereon. Vesting in the Plan Sponsor's profit sharing contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after one year of credited service, or are employed on or after normal retirement age, or terminate employment on account of death or permanent disability.

Notes receivable from Participants – Participants may borrow from their accounts a minimum of \$1,000 up to a maximum of \$50,000 or 50% of their vested account balance, whichever is less. The loans are secured by the balance in the participant's account and bear interest at rates that are commensurate with the bank prime rate reported by the U.S. Federal Reserve plus 2% at the time the loan is taken. Principal and interest is paid ratably through biweekly payroll deductions. Each participant is limited to one loan at any given time.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

1. Plan Description (continued)

Payments of Benefits – On termination of service due to death, disability or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

Forfeited Accounts – Forfeitures of non-vested Plan Sponsor contributions will be allocated as additional profit sharing contributions. For the year ended December 31, 2018 \$288 was forfeited by terminated employees. For the year ended December 31, 2018, \$5,001 of the forfeiture funds were used to pay discretionary contributions. As of December 31, 2017, forfeited non-vested accounts totaled \$5,667 that has not been allocated as additional profit sharing contributions.

Administrative Expenses - Certain expenses incurred in the administration of the Plan are paid directly by the Plan Sponsor. The Plan is not required to reimburse the Plan Sponsor for any administrative expenses paid by the Plan Sponsor. Total fees paid by the Plan are \$45,378 which are netted against realized gains on sale of investments for financial statement purposes.

2. Summary of Significant Accounting Policies

Basis of Accounting - In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting to the liquidation basis for 2018. The accrual basis of accounting was used for 2017.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and disclosure of contingent assets and liabilities. Actual results may differ from those estimates.

Investment Valuation and Income Recognition - The Plan's investments, except for the fully benefit-responsive investment contract, are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan management determines the Plan's valuation policies utilizing information provided by the trustee. See Note 3 for discussion of fair value measurements.

The Plan's fully benefit-responsive investment contract is reported at contract value. See Note 5 for discussion on the fully benefit-responsive investment contract.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

Participant contributions and employer matching contributions are recognized on the pay date which they relate. Employer profit sharing contributions are recognized in the year designated by the Plan Sponsor.

Participant Notes Receivable - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. The notes bear interest at rates that are commensurate with the bank prime rate reported by the U.S. Federal reserve plus 2% at the time the loan is taken, which ranges from 5.25% - 7.25% in 2018. Delinquent notes from participants are reclassified as distributions based upon the terms of the Plan documents. The loan balances at December 31, 2018 and 2017 were \$0 and \$22,358, respectively.

Payments of Benefits - Benefits are recorded when paid.

3. Fair Value Measurements

FASB Codification Standard, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under the FASB Codification Standard 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 (1) quoted prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in inactive markets, and (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets 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.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

3. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

Pooled separate accounts: Valued at the net asset value (NAV) of shares held at the end of the plan year.

Registered investment companies/mutual funds: Valued at the net asset value (NAV) of shares held by the plan at year end. The mutual funds held by the Plan are mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Plan are considered to be actively traded.

Self-directed brokerage accounts: Includes participant directed investments and are valued at the closing price reported on the active market on which the individual securities are rated.

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

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

3. Fair Value Measurements (continued)

At December 31, 2018 and 2017, the Plan's investments were held by the trustee. The following is a summary of the Plan's financial information that is included in the financial statements. The fair value of investments at December 31, 2018 and 2017, is summarized as follows:

	Fair Value Measurement Using:			
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2018				
Registered investment companies/ mutual funds	\$ -	\$ -	\$ -	\$ -
Pooled separate accounts	-	-	-	-
Self-directed brokerage accounts	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -
December 31, 2017				
Registered investment companies/ mutual funds	\$ 2,529,441	\$ 2,529,441	\$ -	\$ -
Pooled separate accounts	20,889,739	-	-	-
Self-directed brokerage accounts	1,025,747	1,025,747	-	-
Total	\$ 24,444,927	\$ 3,555,188	\$ -	\$ -

During the year ended December 31, 2017, the Plan adopted the provisions of FASB Accounting Standards Update 2015-07: Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share. In accordance with ASU 2015-07, certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the total column of the above tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Assets Available for Benefits.

4. Plan Termination

The Plan sponsor has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

On September 8, 2017 the Plan Sponsor was sold. On August 7, 2018 Adaptive Methods, Inc. approved a plan of liquidation and on December 28, 2018 the Plan assets were migrated to L-3 Technologies Inc. Master Savings Plan. On August 7, 2018, all account balances of the plan participants became 100% vested and were no longer subject to forfeiture.

**Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018**

4. Plan Termination (continued)

In accordance with generally accepted accounting principles, the Plan has changed its basis of accounting used to value plan assets from the accrual basis to the liquidation basis for periods after August 7, 2018. As there were not significant variances between liquidation basis and accrual basis for 2018, the entire year was provided on the liquidation basis of accounting.

5. Fully Benefit Responsive Investment Contract

The Plan has a fully benefit responsive investment contract with Prudential Retirement and Annuity Company (Prudential). Prudential maintains the contributions in a general account, which is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. In determining the net assets available for benefits, the contract is included in the accompanying financial statements at contract value, which represents contributions made under the contract plus earnings, less withdrawals and administrative expenses.

Because the guaranteed investment contract is fully benefit responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contract. The guaranteed investment contract is presented at contract value on the face of the statements of net assets available for benefits. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

Generally there are not any events that could limit the ability of the Plan to transact at contract value paid within 90 days or in rare circumstances, contract value paid over time. There are not any events that allow the issuer to terminate the contract and which require the Plan sponsor to settle at an amount different than contract value paid either within 90 days or over time.

6. Tax Status

The Plan received a letter from the Internal Revenue Service identifying the Plan as acceptable under section 401 of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is currently designed and is currently being operated in compliance with applicable requirements of the IRC and, therefore believes the Plan is qualified.

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 or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2015.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

7. Related Party Transaction

Certain Plan investments are managed by Prudential Retirement Insurance and Annuity Company, the service provider of the Plan. Due to this relationship, these transactions qualify as party-in-interest transactions, however they are exempt for the ERISA prohibited transaction rules. Fees paid by the Plan for these investment management services amounted to \$6,870 for the year ended December 31, 2018 which are netted against the realized gains on sale of investments for financial statement purposes.

8. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed for various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

9. Information Certified by the Plan's Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Prudential Bank and Trust, F.S.B. and Prudential Retirement Insurance and Annuity Company have certified as to the completeness and accuracy of all investments and participant notes receivable reflected in the accompanying statements of net assets available for benefits as of December 31, 2018 and 2017, the related investment activity reflected in the statement of changes in net assets available for benefits for the year ended December 31, 2018 and the accompanying notes to the financial statements.

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

9. Information Certified by the Plan's Trustee (continued)

The following information included in the accompanying financial statements was obtained from data that has been prepared and certified to as complete and accurate by the trustee:

	<u>December 31,</u> <u>2018</u>	<u>2017</u>
Investments		
Guaranteed income fund	\$ -	\$ 2,069,523
Registered investment companies/mutual funds	-	2,529,441
Pooled separate accounts	-	20,889,739
Self-directed brokerage accounts	-	1,025,747
Notes receivable from participants	-	22,358
Total	<u>\$ -</u>	<u>\$ 26,536,808</u>
		Year Ended December 31,
Investment income (loss)		<u>2018</u>
Interest and dividends		\$ 111,614
Net depreciation in fair value of investments		(6,372,005)
Realized gain on sale of investments		4,547,057
Total Investment Income (Loss)		<u>\$ (1,713,334)</u>

10. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2018 and 2017 to Schedule H of Form 5500:

	<u>December 31,</u> <u>2018</u>	<u>2017</u>
Net assets available for benefits per the financial statements	\$ -	\$ 26,634,385
Employer contributions receivable	-	(76,246)
Employee contributions receivable	-	(21,331)
Rounding	-	1
Net assets available for benefits per Schedule H of the Form 5500	<u>\$ -</u>	<u>\$ 26,536,809</u>

Adaptive Methods 401(K) Plan
Notes to Financial Statements
For the Year Ended December 31, 2018

10. Reconciliation to Form 5500 (continued)

The following is a reconciliation of contributions per the financial statements for the year ended December 31, 2018 to Schedule H of Form 5500:

	<u>Employer</u>	<u>Participant</u>
Contributions per financial statements	\$ 573,727	\$ 996,159
Forfeitures used for contributions	(5,001)	-
Contributions receivable at December 31, 2017, paid in January 2018	<u>76,246</u>	<u>21,331</u>
Contributions per Schedule H of the Form 5500	<u><u>\$ 644,972</u></u>	<u><u>\$ 1,017,490</u></u>

11. Subsequent Events

In preparing the financial statements, the Plan has evaluated subsequent events for potential recognition and disclosure through September 20, 2019, the date the financial statements were available to be issued. There were no significant events to report.

