

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 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>12/31/2018</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 ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information		
1a Name of plan <u>AUTOMATED PACKAGING SYSTEMS, INC. EMPLOYEES' STOCK OWNERSHIP TRUST AND PLAN</u>	1b Three-digit plan number (PN) ▶	<u>002</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>AUTOMATED PACKAGING SYSTEMS, INC.</u> <u>10175 PHILIPP PARKWAY</u> <u>STREETSBORO, OH 44241-4706</u>	1c Effective date of plan <u>07/01/1980</u>	2b Employer Identification Number (EIN) <u>34-0921189</u>	2c Plan Sponsor's telephone number <u>330-342-2000</u>
		2d Business code (see instructions) <u>326100</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.	10/15/2019	KEVIN SCHAFFNER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 958
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	6a(1) 903 6a(2) 917 6b 19 6c 58 6d 994 6e 0 6f 994 6g 994 6h 39
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:

2I 2P 2Q

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)** ☐ 0 **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 H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
A Name of plan AUTOMATED PACKAGING SYSTEMS, INC. EMPLOYEES' STOCK OWNERSHIP TRUST AND PLAN		B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 AUTOMATED PACKAGING SYSTEMS, INC.		D Employer Identification Number (EIN) 34-0921189

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)	71479	3299
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	552008	1296831
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	322683	2327377
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	127733525	221270673
(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	128679695	224898180

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	18448206	16363463
j Other liabilities	1j	0	3299
k Total liabilities (add all amounts in lines 1g through 1j)	1k	18448206	16366762

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	110231489	208531418
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	4169879	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		4169879
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	19276	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		19276
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	7385730	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		7385730
(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)	93537148	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		93537148

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		105112033

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	5589119	
(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)		5589119
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		635136
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		6224255

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		98887778
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		587849

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: GRANT THORNTON, LLP

(2) EIN: 36-6055558

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		40000000
4e	X		40000000
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 _____.

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)
AUTOMATED PACKAGING SYSTEMS, INC. EMPLOYEE CAPITAL ACCUMULATION PLAN	34-0921189	003

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 12/31/2018

A Name of plan <u>AUTOMATED PACKAGING SYSTEMS, INC. EMPLOYEES' STOCK OWNERSHIP TRUST AND PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AUTOMATED PACKAGING SYSTEMS, INC.</u>	D Employer Identification Number (EIN) <u>34-0921189</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>45-6062081</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

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Schedule R (Form 5500) 2018
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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: 0.0 % 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): _____

Financial Statements and Report of
Independent Certified Public Accountants

**Automated Packaging Systems, Inc. Employees'
Stock Ownership Trust and Plan**

December 31, 2018 and 2017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Trustee of the Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

We have audited the accompanying financial statements of the Automated Packaging Systems, Inc. Employees' Stock Ownership Trust and Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018 and 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Automated Packaging Systems, Inc. Employees' Stock Ownership Trust and Plan as of December 31, 2018 and 2017, and the changes in net assets available for benefits for the year ended December 31, 2018 in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets (held at end of year) as of December 31, 2018 and reportable transactions for the year ended December 31, 2018 are presented for purposes of additional analysis and are not a required part of the financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such supplementary information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.



Cleveland, Ohio
October 11, 2019

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

As of December 31, 2018 and 2017

	December 31, 2018			December 31, 2017		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Assets:						
Investment in Company common stock, at fair value	\$ 178,220,658	\$ 43,050,015	\$ 221,270,673	\$ 98,801,422	\$ 28,932,103	\$ 127,733,525
Money market funds	2,327,377	-	2,327,377	322,683	-	322,683
Company contribution receivable	-	3,299	3,299	71,479	-	71,479
Dividends receivable	1,296,831	-	1,296,831	552,008	-	552,008
Total assets	181,844,866	43,053,314	224,898,180	99,747,592	28,932,103	128,679,695
Liabilities:						
Loans payable	-	16,363,463	16,363,463	-	18,448,206	18,448,206
Interest payable	-	3,299	3,299	-	-	-
Total liabilities	-	16,366,762	16,366,762	-	18,448,206	18,448,206
NET ASSETS AVAILABLE FOR BENEFITS	\$ 181,844,866	\$ 26,686,552	\$ 208,531,418	\$ 99,747,592	\$ 10,483,897	\$ 110,231,489

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

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended December 31, 2018

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions:			
Investment income:			
Interest and dividend income	\$ 7,405,006	\$ -	\$ 7,405,006
Net appreciation in fair value of Company stock	72,350,647	21,186,501	93,537,148
Company contributions	1,450,000	2,719,879	4,169,879
Allocation of 32,130 shares of Company stock, at fair value	<u>7,068,589</u>	<u>-</u>	<u>7,068,589</u>
Total additions	88,274,242	23,906,380	112,180,622
Deductions:			
Interest expense	-	(635,136)	(635,136)
Distributions to participants	(5,589,119)	-	(5,589,119)
Allocation of 32,130 shares of Company stock, at fair value	<u>-</u>	<u>(7,068,589)</u>	<u>(7,068,589)</u>
Total deductions	<u>(5,589,119)</u>	<u>(7,703,725)</u>	<u>(13,292,844)</u>
NET INCREASE	82,685,123	16,202,655	98,887,778
Transfers to affiliated plan	(587,849)	-	(587,849)
Net assets available for benefits – beginning of year	<u>99,747,592</u>	<u>10,483,897</u>	<u>110,231,489</u>
Net assets available for benefits – end of year	<u>\$ 181,844,866</u>	<u>\$ 26,686,552</u>	<u>\$ 208,531,418</u>

The accompanying notes to financial statements are an integral part of this statement.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A – SUMMARY OF TRUST AND PLAN

The following summary of the Automated Packaging Systems, Inc. Employees' Stock Ownership Trust and Plan (the "Trust and Plan") provides only general information. Participants should refer to the Plan Document and Trust Agreement for more complete information. The Trust and Plan was established effective July 1, 1980, for employees of Automated Packaging Systems, Inc. (the "Company"). The Trust and Plan operates as a leveraged employee stock ownership plan and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (the "Code"). The Trust and Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Trust and Plan is administered by an Advisory Committee. Alerus Financial, N.A. (the "Trustee"), serves as the trustee of the Trust and Plan.

Effective September 30, 2010, the Trust and Plan purchased 128,948.50 shares of Company common stock from a shareholder using the proceeds of a \$6,930,982 loan obtained directly from the Company (Note G). The amount and repayment terms of the loan from the Company are identical to those of a loan which the Company has with a bank. Debt service requirements are met through discretionary Company contributions and S-Corporation distributions from the Company. The bank borrowing is collateralized by the unallocated shares of stock held by the Trust and Plan. The lender has no rights against shares once they are allocated under the Trust and Plan. As the borrowings are repaid, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with Trust and Plan provisions.

Effective December 12, 2017, the Trust and Plan purchased 192,531 shares of Company common stock from the Company using the proceeds of a \$16,542,186 loan obtained directly from the Company (Note G). Debt service requirements will be met through discretionary Company contributions and S-Corporation distributions from the Company. The borrowing is collateralized by the unallocated shares of stock held by the Trust and Plan. As the borrowings are repaid, an appropriate percentage of stock is allocated to eligible employees' accounts in accordance with the Trust and Plan provisions.

Accordingly, the financial statements of the Trust and Plan present separately the assets, liabilities and changes therein pertaining to:

- a. the accounts of employees with vested rights in allocated stock (Allocated), and
- b. stock not yet allocated to employees (Unallocated)

Eligibility

Employees of the Company become participants on December 31 of the year they have completed six months of service, as defined, and upon attaining the age of 18. An employee must be an active employee at the end of the Trust and Plan year in order to receive an allocation of Company contributions.

Payment of Benefits

A participant or his or her beneficiary is eligible for benefit payments upon termination of employment, death, retirement, or disability, as defined by the Trust and Plan. Distributions of participant accounts in the form of cash can be made in a lump sum, a series of nearly equal installments payable from the Trust and Plan over a specified period of years, or in the form of a rollover to another qualified plan.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A – SUMMARY OF TRUST AND PLAN – CONTINUED

Effective October 1, 2017, the Company amended the Trust and Plan to change the available methods of benefit distributions. If a participant's account balance is less than \$215,000, it is paid in one installment. All distributions of account balances in excess of \$215,000 are paid in nearly equal annual installments, with the number of annual installments being equal to the participant's account balance as of the date distributions commence divided by \$215,000 and rounded up to the nearest whole number.

In addition, participants who received any allocation of money purchase pension contributions under the Trust and Plan with respect to the period from January 1, 2001 until March 1, 2003 are entitled to receive benefits in the form of an annuity contract, including, if married, in the form of a joint and survivor annuity, under which individuals receive retirement benefit payments during his or her life, with the provision that after death fifty percent or seventy-five percent of his or her monthly retirement benefit shall continue and be paid to the participant's spouse.

The Trust and Plan provides that distributions are payable in cash, or, at such time as the sponsor is not a Subchapter S Corporation, also in shares. In the event of any distributions in shares, the Trust and Plan also provides that until such time as the shares are publicly traded, all shares distributed by the Trustee may be subject to a right of first refusal. This right provides that prior to any subsequent transfer, the shares must first be offered by written offer to the Trust and Plan, and if refused by the Trust and Plan, to the Company.

Plan Termination

The Company reserves the right to terminate the Trust and Plan at any time, subject to the Trust and Plan provisions. Upon termination of the Trust and Plan, all participants' accounts and rights to benefits shall become fully vested and be distributed to the participant or his or her beneficiary as provided for in the terms of the Trust and Plan and the Code.

Participant Accounts

The Trust and Plan provides for the establishment of accounts, which represent each participant's interest in the net assets of the Trust and Plan. Contributions can be received in the form of shares of common stock of the Company or cash. Contributions are allocated to participant accounts based on each participant's relative percentage of compensation to total participant compensation, limited to the maximum allowable under the law. Forfeited shares are reallocated to remaining participants. The allocation of forfeitures to the remaining participants' accounts is performed on the annual allocation date based on each participant's relative percentage of compensation to total participant compensation. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2018 and 2017 totaled \$305,609 and \$136,133, respectively. The allocation of investment income and realized or unrealized gains and losses is also performed on the annual allocation date based upon the relative value of each participant's account subsequent to the allocation of forfeitures and prior to the allocation of the Company's contribution.

Each participant's account is credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account as a result of the repayment of borrowings. Allocations are based on each participant's compensation as a percentage of total participant compensation.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE A – SUMMARY OF TRUST AND PLAN – CONTINUED

Vesting

Shares allocated vest to participants based on years of service as follows:

Years of Vesting Service	Vested Percentage
Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	40%
4 but less than 5 years	60%
5 but less than 6 years	80%
6 or more years	100%

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account with regards to any corporate matter which involves the voting of such shares as defined in Section 409(e) of the Code, and is notified by the Trustee prior to the time that such rights are to be exercised. The Trustee may vote any shares for which he does not receive directions from the participant as directed by the Advisory Committee, as established by the Trust and Plan. The Advisory Committee has the right to vote all unallocated shares in the Trust and Plan. The Advisory Committee also has the right to vote all allocated shares for any corporate matter that does not comply with the provisions noted above.

Put Option

In the event shares are distributed to a participant and such shares are not publicly traded, or are subject to trading limitations, the Company shall grant the participant an option to require the Company or the Trust and Plan to purchase and redeem such shares. The put price of these shares shall be the fair market value of the stock, at the time of distribution. The Company shall pay the purchase price as either a lump sum payment to the participant, a rollover payment to a qualified plan, or an installment payment plan not to exceed five years, with interest being accrued on the outstanding amount.

Diversification

Diversification is offered to participants that have attained age fifty-five and have completed ten years of participation in the Trust and Plan. Diversification is offered to each eligible participant over a six-year period. In each eligibility year that the participant is under age sixty, a participant may diversify up to 25 percent of the number of post-1986 shares allocated to his account, less any shares previously diversified. In each eligibility year that a participant is age sixty or over, he may diversify up to 50 percent of post-1986 shares, less any shares previously diversified. The amount that a participant can diversify is limited to their vested account balance at the time of their diversification, and such amounts are transferred to the Automated Packaging Systems, Inc. Employee Capital Accumulation Plan, a separate plan sponsored by the Company.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Contributions

The Company is obligated to make contributions in cash to the Trust and Plan which, when aggregated with the Trust and Plan's dividends and interest earnings, equal the amount necessary to enable the Trust and Plan to make its regularly scheduled payments of principal and interest due on its term loans. Contributions in excess of debt service payments are allocated to participants' accounts. Discretionary contributions of cash or shares due from the Company are accrued as declared by the Company's management. The Company shall make such discretionary contributions in shares, cash, or other property as determined by the Company in its sole discretion. Total contributions by the Company to the Trust and Plan were \$4,169,879 in 2018.

Interest and Dividend Income

As the Company operates as a Subchapter S Corporation, periodic distributions are made by the Company to shareholders to cover personal tax liability on pass-through income from the Company. Although the Trust and Plan is tax exempt, it is entitled to receive its proportionate share of any distributions paid by the Company. Dividends on unallocated shares can be used for debt service or allocated to participants, at the discretion of the Trust and Plan. In 2018, the Trust and Plan recognized \$7,385,730 in S Corporation distributions from the Company, which are included in interest and dividend income in the accompanying statement of changes in net assets available for benefits.

Administrative Expenses

Administrative expenses, such as legal, accounting, recordkeeping, and trustee fees are paid by the Company.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

The Trust and Plan's investments are stated at fair value. Fair value is estimated as 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. See Note D for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Investment income is determined on the accrual basis. Net appreciation (depreciation) includes the Trust and Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE C – INVESTMENTS

The Trust and Plan's investment in Company stock, at December 31, is presented in the following table:

	2018		2017	
	Allocated	Unallocated	Allocated	Unallocated
Company Common Stock:				
Number of Shares	810,094	195,682	777,964	227,812
Cost	\$ 38,076,018	\$ 16,337,290	\$ 35,965,103	\$ 18,448,206
Fair Value	\$178,220,658	\$ 43,050,015	\$ 98,801,422	\$ 28,932,103

NOTE D – FAIR VALUE MEASUREMENTS

The Trust and Plan follows the fair value accounting guidance that establishes a framework for measuring fair value. That 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 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 Trust and Plan has the ability to access

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level 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 and 2017.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE D – FAIR VALUE MEASUREMENTS – CONTINUED

The Trust and Plan's investment in shares of Company common stock is valued at fair value as of December 31, 2018 and 2017. Fair value is determined by an annual independent appraisal. The appraisal is based on a combination of the market and income valuation techniques, including a discounted cash flow technique using the Capital Asset Pricing Model to determine the fair value. The appraiser took into account historical and projected cash flows and net income, return on assets, return on equity, market comparables and estimated fair value of Company assets and liabilities. Additionally, the appraiser took into account other qualitative and quantitative factors when determining the fair value of the Company common stock. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.

The valuation process involves the Trustee selecting an appraiser. Additionally, the Trust and Plan management accumulates the Company's historical financial data from the audited financial statements of the Company, prepares projections and approves the group of comparable public companies utilized by the appraiser. The appraiser prepares a preliminary report which plan management reviews in detail, discusses and approves.

The money market account is valued based on a quoted market price on an active exchange. Money market funds invested in by the Trust and Plan seek to preserve the value of the investment at \$1.00 per share.

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

The following table sets forth by level, within the fair value hierarchy, the Trust and Plan's assets at fair value as of December 31, 2018:

Assets at Fair Value as of December 31, 2018				
	Level 1	Level 2	Level 3	Total
Company stock	\$ -	\$ -	\$ 221,270,673	\$ 221,270,673
Money market	2,327,377	-	-	2,327,377
Total assets at fair value	\$ 2,327,377	\$ -	\$ 221,270,673	\$ 223,598,050

The following table sets forth by level, within the fair value hierarchy, the Trust and Plan's assets at fair value as of December 31, 2017:

Assets at Fair Value as of December 31, 2017				
	Level 1	Level 2	Level 3	Total
Company stock	\$ -	\$ -	\$ 127,733,525	\$ 127,733,525
Money market	322,683	-	-	322,683
Total assets at fair value	\$ 322,683	\$ -	\$ 127,733,525	\$ 128,056,208

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE D – FAIR VALUE MEASUREMENTS – CONTINUED

The table below sets forth a summary of changes in the fair value of the Trust and Plan's Level 3 assets for the year ended December 31, 2018:

	Common Stock
Balance, beginning of year	\$ 127,733,525
Net appreciation in fair value	93,537,148
Balance, end of year	<u>\$ 221,270,673</u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	<u>\$ 93,537,148</u>

NOTE E – TAX STATUS

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated May 27, 2014, that the Trust and Plan is qualified and the Trust established under the Trust and Plan is tax-exempt, under the appropriate sections of the Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Trust and Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Trust and Plan, and has concluded that as of December 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Trust and Plan is subject to routine audits by the IRS; however, there are currently no audits for any tax periods in progress.

NOTE F – RISKS AND UNCERTAINTIES

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

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE G – LOANS PAYABLE

In connection with the 2010 stock purchase transaction described in Note A, the Trust and Plan secured a \$6,930,982 term loan directly from the Company. Unallocated shares are collateral for the loan. The loan accrues interest at a fixed rate of 4.29% and is payable in 40 quarterly installments of principal and interest which commenced on September 30, 2010. The scheduled amortization of the loan for the remaining years of the agreement is as follows:

2019	693,098
2020	519,824
	<u>\$ 1,212,922</u>

In connection with the 2017 stock purchase transaction described in Note A, the Trust and Plan secured a \$16,542,186 loan directly with the Company. Unallocated shares are collateral for the loan. Interest accrues at a fixed rate of 3.3425% and payments are to be made in 40 quarterly installments which commenced on March 31, 2018. The scheduled amortization of the loan for the remaining years of the agreement is as follows:

2019	\$1,468,260
2020	1,516,670
2021	1,569,289
2022	1,622,403
2023	1,677,316
Thereafter	7,296,603
	<u>\$ 15,150,541</u>

NOTE H – SUBSEQUENT EVENTS

The Trust and Plan evaluated its December 31, 2018 financial statements for subsequent events through October 11, 2019, the date the financial statements were available to be issued.

The Company entered into a purchase agreement to be acquired on April 30, 2019, which was completed on August 1, 2019. The transaction involved the creation of a new holding company, APS Holding Company, Inc. ("APH"), with the former shareholders of the Company, including the Plan, becoming shareholders in APH, APH selling the shares of the Company to the buyer, and APH shareholders effectively becoming entitled to receive their proportionate share of the net sales proceeds as distributions from APH. The transaction was approved by vote of the shareholders of APH, including pass through voting by Plan participants of the shares allocated to their accounts and the Trustee voting unallocated shares. In connection with the transaction, the Trustee acted as an independent trustee and obtained an opinion from an independent financial advisor that concluded that the purchase price for the Company was not less than fair market value and that terms of the transaction were fair to the Plan from a financial point of view.

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

NOTES TO FINANCIAL STATEMENTS

December 31, 2018 and 2017

NOTE H – SUBSEQUENT EVENTS – CONTINUED

On or about the closing date on August 1, 2019, sponsorship of the Trust and Plan was transferred to APH and the loans payable were satisfied in full through a combination of discretionary employer cash contributions and the redemption of a portion of the Trust and Plan's unallocated shares. The allocation of shares with respect to the discretionary cash contributions and redemption was completed in accordance with the Plan document. The Trust and Plan was converted from an employee stock ownership plan into a profit-sharing plan and was terminated effective August 1, 2019. All participants became fully vested in their account balance upon the termination of the Plan. Upon the complete distribution of all assets in the Trust, the Trust will cease to exist.

The Trust and Plan is not aware of any other subsequent events which would require recognition of disclosure in the financial statements.

Supplementary Information

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS

For the year ended December 31, 2018

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (iii) – Series of transactions in excess of 5% of Plan assets:						
	Federated Government Obligations Fund - Purchased	8,864,595	-	8,864,595	8,864,595	-
	Federated Government Obligations Fund - Sold	6,859,901	6,859,901	6,859,901	6,859,901	-

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS

For the year ended December 31, 2018

(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
Category (iii) – Series of transactions in excess of 5% of Plan assets:						
	Federated Government Obligations Fund - Purchased	8,864,595	-	8,864,595	8,864,595	-
	Federated Government Obligations Fund - Sold	6,859,901	6,859,901	6,859,901	6,859,901	-

Automated Packaging Systems, Inc.
Employees' Stock Ownership Trust and Plan

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

As of December 31, 2018

Employer Identification Number: 34-0921189
Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor or similar party	Description of Investment, including maturity date, rate of interest, collateral, par or maturity value	Cost	Current Value
*	Automated Packaging Systems, Inc.	Company Stock	\$54,413,308	\$221,270,673
	Federated Government Obligations Fund	Money Market	2,327,377	2,327,377
			\$ 56,740,685	\$ 223,598,050

* Denotes a party-in-interest