# 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

**2019**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**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.)
- [X] 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:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
NES GROUP 401(K) PLAN

**1b** Three-digit plan number (PN) ▶ 001

**1c** Effective date of plan 01/01/2012

**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)
NES GROUP

10 WEST 33RD STREET ROOM 918
NEW YORK, NY 10001

**2b** Employer Identification Number (EIN)
11-3528217

**2c** Plan Sponsor's telephone number
212-502-0025

**2d** Business code (see instructions)
448310

**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. | 10/15/2020 | LARRY KATZ |
| | **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 |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 117 |
| **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 | **6a(1)** | 112 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 110 |
| **b** Retired or separated participants receiving benefits | **6b** | 0 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 1 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 111 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 111 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 65 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 3 |
| **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:

2T 2J 2K 2F 2G 3D 2E

**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) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | Insurance | **(1)** | Insurance |
| **(2)** | Code section 412(e)(3) insurance contracts | **(2)** | Code section 412(e)(3) insurance contracts |
| **(3)** [X] | Trust | **(3)** [X] | Trust |
| **(4)** | General assets of the sponsor | **(4)** | General assets of the sponsor |

**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)** [X] **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)** [X] **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 2019 Form M-1 annual report. If the plan was not required to file the 2019 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

**2019**

**This Form is Open to Public Inspection**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
NES GROUP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NES GROUP

**D** Employer Identification Number (EIN)
11-3528217

## 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) | 74761 | 89003 |
| **(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) | 24951 | 34606 |
| **(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) | 1067710 | 1500793 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (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 | 1167422 | 1624402 |
| | **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 through1j) | 1k | 0 | 0 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 1167422 | 1624402 |

## 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) | 38729 | |
| | **(B)** Participants | 2a(1)(B) | 256564 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 3136 | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 298429 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 1876 | |
| | **(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) | 1535 | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 3411 |
| | **(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) | 37202 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 37202 |
| | **(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) | | |
| **(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) | | 233520 |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 572562 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 114732 | |
| **(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) | | 114732 |
| **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) | 850 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 850 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 115582 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | 456980 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | |
| **(2)** From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

**(1)** [ ] Unmodified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

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

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

**(1)** Name: MAYER RISPLER & COMPANY **(2)** EIN: 11-3108982

**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:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **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.) | 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.) | 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.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 250000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 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? | 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? | 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.) | 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.) | 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? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 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) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**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

**2019**

**This Form is Open to Public Inspection.**

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

**A** Name of plan
NES GROUP 401(K) PLAN

**B** Three-digit plan number (PN) ▶ 001

**C** Plan sponsor's name as shown on line 2a of Form 5500
NES GROUP

**D** Employer Identification Number (EIN)
11-3528217

## Part I Distributions

**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** 0

**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): 75-3182674

**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.)

**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

**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**

## 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.

**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**

## 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 | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **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 | **15a** | |
| **b** The corresponding number for the second preceding plan year | **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 | **16a** | |
| **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 | **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):

**20** **PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

**a** Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

**b** If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation_____

# NES GROUP 401(K) PLAN

# FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

# DECEMBER 31, 2019 AND 2018

NES GROUP 401(K) PLAN
TABLE OF CONTENTS
DECEMBER 31, 2019 AND 2018


| | PAGE |
|---|---|
| **Independent Auditors' Report** | 1-2 |
| **Financial Statements:** | |
| Statements of Net Assets Available for Benefits | 3 |
| Statement of Changes in Net Assets Available for Benefits | 4 |
| Notes to Financial Statements | 5-10 |
| Schedule of Assets (Held at End of Year) | 11 |

# INDEPENDENT AUDITORS' REPORT

To the Trustees of
NES Group 401(k) Plan
New York, New York

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of NES Group 401(k) Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

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

Plan 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 4, which was certified by Matrix Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2019, 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.

**Other Matter**

The supplemental schedule of Form 5500 - Schedule H, Part IV, Line 4 (i) as of December 31, 2019 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedules referred to above.

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

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

October 13, 2020

# NES GROUP 401(K) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
## DECEMBER 31, 2019 AND 2018

| | 2019 | 2018 |
|---|---|---|
| **ASSETS:** | | |
| Investments at Fair Value | $1,589,796 | $1,142,471 |
| Notes Receivable from Participants | 34,606 | 24,951 |
| Total Assets | $1,624,402 | $1,167,422 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | **$1,624,402** | **$1,167,422** |

See independent auditors' report and accompanying notes to the financial statements.

# NES GROUP 401(K) PLAN
## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
## YEAR ENDED DECEMBER 31, 2019

**ADDITIONS**

| Additions to Net Assets Attributed to: | 2019 |
|---|---|
| Investment Income: | |
| Net Appreciation in Fair Value of Investments | $ 233,520 |
| Dividends | 37,202 |
| Investment Interest | 1,876 |
| Total Investment Income | 272,598 |
| Interest Income on Notes Receivable from Participants | 1,535 |
| Contributions: | |
| Employer | 38,729 |
| Participants | 256,564 |
| Rollovers | 3,136 |
| Total Contributions | 298,429 |
| Total Additions | 572,562 |

**DEDUCTIONS**

| Deductions from Net Assets Attributed to: | |
|---|---|
| Benefits Paid to Participants | ( 114,732) |
| Administrative Expenses | ( 850) |
| Total Deductions | ( 115,582) |
| NET INCREASE | 456,980 |
| NET ASSETS AVAILABLE FOR BENEFITS: | |
| BEGINNING OF YEAR | 1,167,422 |
| **END OF YEAR** | **$ 1,624,402** |

See independent auditors' report and accompanying notes to the financial statements.

## NOTE 1 – DESCRIPTION OF PLAN

The following description of NES Group 401(K) Plan (the Plan) provides only general information. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

**General** – The Plan is a defined contribution plan, covering all employees of NES Group 401(K) Plan, who have completed one year of service, and are age twenty-one or older. Employees meeting the eligibility requirements become participants on January 1, April 1, July 1, and October 1 of the Plan year following the date the requirements were met. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Contributions** – Each year, participants may contribute up to 100% of the participants compensation, 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 defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The plan administrator will send an email to all employees who are eligible to participate in the plan. If an employee elects to participate, they will contact the plan administrator and complete all required documentation. The Company elected to match 25% of employees' contributions up to 4% of the salary. Contributions are subject to certain IRS limitations.

**Participant Accounts** – Each participant's account is credited with the participant's contributions and Plan earnings. Participants' accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, 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 elective contributions plus actual earnings thereon. Vesting in the remainder of their account is a percentage based on years of continuous service. A participant is 100% vested after four years of credited service or upon reaching normal retirement age.

**Notes Receivable From Participants** – Participants may borrow from their accounts a maximum equal to the lesser of $50,000 or 50% of their vested account balance. Loan terms range 1-5 years, except if a loan is used to acquire a principal residence, it may be repaid over a reasonable period of time that may be longer than five years. The loans are collateralized by the balance in the participant's account and bear interest at a rate that commensurate with local prevailing rates as determined by the plan administrator. Interest rates ranged from 4.75% to 6.5% per annum during the year ended December 31, 2019. Principal and interest are repaid ratably through payroll deductions.

**Payment of Benefits** – On termination of service due to death, disability, or retirement, a participant may elect to receive either 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 for other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution.

**Forfeited amounts** – Forfeited amounts for the year ended December 31, 2019 and unaudited 2018 were $3,144 and $2,367, respectively.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** – The financial statements of the Plan are prepared on the accrual basis of accounting.

**Use of Estimates** – The preparation of financial statements in accordance 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 changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition** – Investments are reported 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. See note 4 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the years.

**Notes Receivable from Participants** – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowances for credit losses has been recorded as of December 31, 2019 and 2018.

**Payment of Benefits** – Benefits are recorded when paid.

**Expenses** – Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account. Investment related expenses are included in net appreciation of fair value of investments.

## NOTE 3 – UNAUDITED INFORMATION CERTIFIED BY THE TRUSTEE

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and supplemental schedule, including investments and notes receivable from participants held at December 31, 2019 and 2018, and net appreciation in fair value of investments, interest and dividends for the year ended December 31, 2019, was obtained or derived from information supplied to the plan administrator and certified as complete and accurate by Reliance Trust, the trustee of the Plan.

## NOTE 4 – FAIR VALUE MEASUREMENTS

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of observable inputs other than quoted prices for identical assets (Level 1). Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs are used for investments for which Level 1 inputs were not available. Level 3 inputs would only be used if Level 1 or Level 2 inputs were not available. There are no plan assets requiring the use of Level 3 inputs for the periods presented.

## NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

**Level 1 Fair Value Measurements** – The fair value of mutual funds is based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Plan are open-end 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. The fair values of common stocks are based on the closing price reported on the active market where the individual securities are traded.

**Level 2 Fair Value Measurements** – The fair value of corporate bonds and U.S. government securities are valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019:

| | Fair Value Measurements Using Input Levels | | |
|---|---|---|---|
| Description | Quotes Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Total |
| Fidelity Small Cap Discovery | $ 6,990 | - | $ 6,990 |
| Money Market | 3,144 | - | 3,144 |
| Vanguard 500 Idx Adm | 82,851 | - | 82,851 |
| Vanguard Dividend Growth | 13,813 | - | 13,813 |
| Vanguard Emerging Mkts Stk Adm | 12,447 | - | 12,447 |
| Vanguard Mid-Cap Index Adm | 20,372 | - | 20,372 |
| Vanguard Prime Money Market | 85,858 | - | 85,858 |
| Vanguard Real Estate Id Fund Admi Sh | 6,954 | - | 6,954 |
| Vanguard Short-Term Bond Indx Adm | 4,247 | - | 4,247 |
| Vanguard Small Cap Idx Adm | 10,313 | - | 10,313 |
| Vanguard Target Retirement 2020 | 960 | - | 960 |
| Vanguard Target Retirement 2025 | 5,954 | - | 5,954 |
| Vanguard Target Retirement 2030 | 351 | - | 351 |
| Vanguard Target Retirement 2035 | 365,960 | - | 365,960 |
| Vanguard Target Retirement 2040 | 270,190 | - | 270,190 |
| Vanguard Target Retirement 2045 | 39,381 | - | 39,381 |
| Vanguard Target Retirement 2050 Inv | 241,334 | - | 241,334 |
| Vanguard Target Retirement 2055 | 199,398 | - | 199,398 |
| Vanguard Target Retirement 2060 | 3,050 | - | 3,050 |
| Vanguard Total Bond Market Index Adm | 14,018 | - | 14,018 |
| Vanguard Total Intl Stk Idx Admiral | 25,254 | - | 25,254 |
| Vanguard Idx Adm | 10,958 | - | 10,958 |
| Vanguard Wellington Adm | 165,999 | - | 165,999 |
| Total Investments | $1,589,796 | $ - | $1,589,796 |

See independent auditors' report.

## NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2018:

| | Fair Value Measurements Using Input Levels | | |
|---|---|---|---|
| Description | Quotes Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Total |
| Dodge & Cox International | $ 13,901 | - | $ 13,901 |
| Fidelity Small Cap Discovery | 3,845 | - | 3,845 |
| Money Market | 2,367 | - | 2,367 |
| Vanguard 500 Idx Adm | 51,497 | - | 51,497 |
| Vanguard Dividend Growth | 8,021 | - | 8,021 |
| Vanguard Emerging Mkts Stk Adm | 11,035 | - | 11,035 |
| Vanguard Mid-Cap Index Adm | 15,670 | - | 15,670 |
| Vanguard Prime Money Market | 72,394 | - | 72,394 |
| Vanguard Real Estate Ind Fund Admi Sh | 6,092 | - | 6,092 |
| Vanguard Short-Term Bond Idx Adm | 2,159 | - | 2,159 |
| Vanguard Small Cap Idx Adm | 9,433 | - | 9,433 |
| Vanguard Target Retirement 2020 | 817 | - | 817 |
| Vanguard Target Retirement 2025 | 1,815 | - | 1,815 |
| Vanguard Target Retirement 2035 | 273,008 | - | 273,008 |
| Vanguard Target Retirement 2040 | 181,048 | - | 181,048 |
| Vanguard Target Retirement 2045 | 46,283 | - | 46,283 |
| Vanguard Target Retirement 2050 Inv | 159,027 | - | 159,027 |
| Vanguard Target Retirement 2055 | 120,117 | - | 120,117 |
| Vanguard Target Retirement 2060 | 3,744 | - | 3,744 |
| Vanguard Total Bond Market Index Adm | 6,870 | - | 6,870 |
| Vanguard Total Intl Stk Idx Admiral | 22,874 | - | 22,874 |
| Vanguard Idx Adm | 9,668 | - | 9,668 |
| Vanguard Wellington Adm | 120,786 | - | 120,786 |
| Total Investments | $1,142,471 | $ - | $1,142,471 |

Gains and losses included in changes in net assets available for benefits for the years ended December 31, 2019 and 2018, are reported in net appreciation (depreciation) in fair value of investments.

The Plan's policy is to recognize transfers between Levels 1 and 2 and into and out of Level 3 as of the date of the event or change in circumstances that caused the transfer. For the years ended December 31, 2019 and 2018, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

## NOTE 5 – INVESTMENTS

The Plan's investments were accounted for under an agreement with Matrix Trust Company, the trustee of the Plan. All investment information presented in the accompanying financial statements and supplementary schedule, including investments held and net increase/(decrease) in fair value of investments, was obtained or derived from information supplied by the trustee and certified as complete and accurate. A summary of the investments is shown in the supplementary information.

Individual investments that represent 5% or more of the Plan's net assets are as follows:

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Vanguard 500 Indx Adm | $ 82,851 | $ * |
| Vanguard Prime Money Market | 85,858 | 72,394 |
| Vanguard Target Retirement 2035 | 365,960 | 273,008 |
| Vanguard Target Retirement 2040 | 270,190 | 181,048 |
| Vanguard Target Retirement 2050 Inv | 241,334 | 159,027 |
| Vanguard Target Retirement 2055 | 199,398 | 120,117 |
| Vanguard Wellington Adm | 165,999 | 120,786 |
| Total individual investments representing 5% or more of the Plan's net assets. | $1,411,590 | $926,380 |

* Investments represents less than 5% of the Plan's assets as of the end of the retrospective period.

## NOTE 6 – PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination, the Participant may elect to have the vested account balance distributed to oneself as soon as administratively feasible. However, if the value of the Participant's vested account balance does not exceed $5,000, then a distribution will be made to the Participant regardless of whether the Participant consents to receive it.

## NOTE 7 – TAX STATUS

The Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## NOTE 8 – RISKS AND UNCERTAINTIES

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

## NOTE 9 – RELATED PARTY TRANSACTIONS

Certain Plan investments held during the year consisted of shares of mutual funds managed by Matrix Trust Company. Matrix Trust Company, was a custodian during the period as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. Matrix Trust Company provides certain administrative services to the Plan pursuant to a Master Plan Services Agreement (MSA) between the Company and Matrix Trust Company. Matrix Trust Company receives revenue from mutual fund service providers for services Matrix Trust Company provided to the funds. This revenue is used to offset certain amounts owed to Matrix Trust Company for its administrative services to the Plan.

## NOTE 10 – RECONCILIATION OF FINANCIAL STATEMENTS TO SCHEDULE H OF FORM 5500

Reconciliation are not necessary, since the data on the financial statements matches with the amounts reported on Schedule H of Form 5500.

## NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 13, 2020, the date which the financial statements were available to be issued. As a result of COVID-19, there has been heightened market risk and volatility associated with the pandemic, and this could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits. The duration of these uncertainties and the ultimate effects cannot be reasonably estimated at this time.

**NES GROUP 401(K) PLAN**
**401(K) DEFERRED COMPENSATION PLAN**
**FORM 5500 – SCHEDULE H, PART IV, LINE 4(i)**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**EIN: 22-2171986 – PLAN NUMBER: 001**
**DECEMBER 31, 2019**

| (a) Identity of Issuer, Borrower, Lessor or Similar Party | (b) (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | (d) Cost | (e) Current Value |
|---|---|---|---|
| *Matrix Trust Company | Fidelity Small Cap Discovery | ** | $ 6,990 |
| *Matrix Trust Company | Money Market | ** | 3,144 |
| *Matrix Trust Company | Vanguard 500 Idx Adm | ** | 82,851 |
| *Matrix Trust Company | Vanguard Dividend Growth | ** | 13,813 |
| *Matrix Trust Company | Vanguard Emerging Mkts Stk Adm | ** | 12,447 |
| *Matrix Trust Company | Vanguard Mid-Cap Index Adm | ** | 20,372 |
| *Matrix Trust Company | Vanguard Prime Money Market | ** | 85,858 |
| *Matrix Trust Company | Vanguard Real Estate Ind Fund Admi Sh | ** | 6,954 |
| *Matrix Trust Company | Vanguard Short-term Bond Idx Adm | ** | 4,247 |
| *Matrix Trust Company | Vanguard Small Cap Idx Adm | ** | 10,313 |
| *Matrix Trust Company | Vanguard Target Retirement 2020 | ** | 960 |
| *Matrix Trust Company | Vanguard Target Retirement 2025 | ** | 5,954 |
| *Matrix Trust Company | Vanguard Target Retirement 2030 | ** | 351 |
| *Matrix Trust Company | Vanguard Target Retirement 2035 | ** | 365,960 |
| *Matrix Trust Company | Vanguard Target Retirement 2040 | ** | 270,190 |
| *Matrix Trust Company | Vanguard Target Retirement 2045 | ** | 39,381 |
| *Matrix Trust Company | Vanguard Target Retirement 2050 Inv | ** | 241,334 |
| *Matrix Trust Company | Vanguard Target Retirement 2055 | ** | 199,398 |
| *Matrix Trust Company | Vanguard Target Retirement 2060 | ** | 3,050 |
| *Matrix Trust Company | Vanguard Total Bond Market Index Adm | ** | 14,018 |
| *Matrix Trust Company | Vanguard Total Intl Stk Idx Admiral | ** | 25,254 |
| *Matrix Trust Company | Vanguard Idx Adm | ** | 10,958 |
| *Matrix Trust Company | Vanguard Wellington Adm | ** | 165,999 |
| *Participant Loans | Interest Ranging from 4.75% to 6.5% Per Annum | ** | 34,606 |
| | | | $1,624,402 |

*Denotes party-in-interest to the Plan
**Cost is not required for Participant—Directed Investments

See independent auditors' report.

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

Name of Plan:

► **NES Group 401(k) Plan**

Employer Identification Number:► 11-3528217

For plan year (beginning/ending):► 01/01/2019-12/31/2019 Plan number:► 001

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (d) Cost | (e) Current value |
|---|---|---|---|---|
| | Fidelity Small Cap Discovery | Registered Investment Company | | $ 6,990.41 |
| | Loan | 4.75% - 6.50% | | $ 34,606.44 |
| | Vanguard 500 Idx Adm | Registered Investment Company | | $ 82,850.40 |
| | Vanguard Dividend Growth | Registered Investment Company | | $ 13,812.72 |
| | Vanguard Emerging Mkts Stk Adm | Registered Investment Company | | $ 12,446.94 |
| | Vanguard Mid-Cap Index Adm | Registered Investment Company | | $ 20,371.56 |
| | Vanguard Prime Money Market | Money Market Fund | | $ 89,002.91 |
| | Vanguard Real Estate Ind Fund Admi Sh | Registered Investment Company | | $ 6,953.60 |
| | Vanguard Short-Term Bond Idx Adm | Registered Investment Company | | $ 4,246.50 |
| | Vanguard Small Cap Idx Adm | Registered Investment Company | | $ 10,313.49 |
| | Vanguard Target Retirement 2020 | Registered Investment Company | | $ 959.96 |
| | Vanguard Target Retirement 2025 | Registered Investment Company | | $ 5,954.09 |
| | Vanguard Target Retirement 2030 | Registered Investment Company | | $ 350.80 |
| | Vanguard Target Retirement 2035 | Registered Investment Company | | $ 365,960.11 |
| | Vanguard Target Retirement 2040 | Registered Investment Company | | $ 270,189.78 |
| | Vanguard Target Retirement 2045 | Registered Investment Company | | $ 39,381.19 |
| | Vanguard Target Retirement 2050 Inv | Registered Investment Company | | $ 241,333.94 |
| | Vanguard Target Retirement 2055 | Registered Investment Company | | $ 199,398.01 |
| | Vanguard Target Retirement 2060 | Registered Investment Company | | $ 3,050.39 |
| | Vanguard Total Bond Mk Index Adm | Registered Investment Company | | $ 14,017.87 |
| | Vanguard Total Intl Stk Idx Admiral | Registered Investment Company | | $ 25,254.11 |
| | Vanguard Value Idx Adm | Registered Investment Company | | $ 10,957.66 |
| | Vanguard Wellington Adm | Registered Investment Company | | $ 165,999.06 |