# 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

**2020**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**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
- [X] 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
APPLIED CARD SYSTEMS, INC. 401(K) RETIREMENT/SAVINGS PLAN

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

**1c** Effective date of plan 04/01/1998

**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)
APPLIED CARD SYSTEMS, INC.

5401 BROKEN SOUND BOULEVARD NW
BOCA RATON, FL 33487

**2b** Employer Identification Number (EIN) 51-0302476

**2c** Plan Sponsor's telephone number 484-840-1700

**2d** Business code (see instructions) 522210

**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. | 12/15/2021 | DANIEL TAYLOR |
| | **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** | 255 |
| **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)** | 171 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 160 |
| **b** Retired or separated participants receiving benefits | **6b** | 8 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 76 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 244 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 244 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 176 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 19 |
| **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:

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

**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)** | [X] Insurance | **(1)** | [X] 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)** [X] 1 **A** (Insurance Information)
- **(4)** [X] **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 2020 Form M-1 annual report. If the plan was not required to file the 2020 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE A
## (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
APPLIED CARD SYSTEMS, INC. 401(K) RETIREMENT/SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
APPLIED CARD SYSTEMS, INC.

**D** Employer Identification Number (EIN)
51-0302476

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

**1** Coverage Information:

**(a)** Name of insurance carrier
GREAT WEST LIFE AND ANNUITY

| **(b)** EIN | **(c)** NAIC code | **(d)** Contract or identification number | **(e)** Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | **(f)** From | **(g)** To |
| 84-0467907 | 68322 | 454869-01 | 45 | 01/01/2020 | 12/31/2020 |

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

| **(a)** Total amount of commissions paid | **(b)** Total amount of fees paid |
|---|---|
| | |

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 1841844 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 0 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

| | | | |
|---|---|---|---|
| b | Premiums paid to carrier | 6b | |
| c | Premiums due but unpaid at the end of the year | 6c | |
| d | If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. | 6d | |

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity

(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee

(3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 828564 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 62568 | | |
| | (2) Dividends and credits | 7c(2) | 0 | | |
| | (3) Interest credited during the year | 7c(3) | 23110 | | |
| | (4) Transferred from separate account | 7c(4) | 1150240 | | |
| | (5) Other (specify below) | 7c(5) | 10895 | | |
| | ▶ LOAN PAYMENTS | | | | |
| | (6) Total additions | | | 7c(6) | 1246813 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**) | | | 7d | 2075377 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 87554 | | |
| | (2) Administration charge made by carrier | 7e(2) | 5579 | | |
| | (3) Transferred to separate account | 7e(3) | 140400 | | |
| | (4) Other (specify below) | 7e(4) | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | 7e(5) | 233533 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 1841844 |

## Part III Welfare Benefit Contract Information

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

**8** Benefit and contract type (check all applicable boxes)

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

| | | | | |
|---|---|---|---|---|
| **9** Experience-rated contracts: | | | | |
| **a** Premiums: (1) Amount received | **9a(1)** | | | |
| (2) Increase (decrease) in amount due but unpaid | **9a(2)** | | | |
| (3) Increase (decrease) in unearned premium reserve | **9a(3)** | | | |
| (4) Earned (**(1)** + **(2)** - **(3)**) | | | **9a(4)** | 0 |
| **b** Benefit charges (1) Claims paid | **9b(1)** | | | |
| (2) Increase (decrease) in claim reserves | **9b(2)** | | | |
| (3) Incurred claims (add **(1)** and **(2)**) | | | **9b(3)** | 0 |
| (4) Claims charged | | | **9b(4)** | |
| **c** Remainder of premium: (1) Retention charges (on an accrual basis) -- | | | | |
| (A) Commissions | **9c(1)(A)** | | | |
| (B) Administrative service or other fees | **9c(1)(B)** | | | |
| (C) Other specific acquisition costs | **9c(1)(C)** | | | |
| (D) Other expenses | **9c(1)(D)** | | | |
| (E) Taxes | **9c(1)(E)** | | | |
| (F) Charges for risks or other contingencies | **9c(1)(F)** | | | |
| (G) Other retention charges | **9c(1)(G)** | | | |
| (H) Total retention | | | **9c(1)(H)** | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.) | | | **9c(2)** | |
| **d** Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement | | | **9d(1)** | |
| (2) Claim reserves | | | **9d(2)** | |
| (3) Other reserves | | | **9d(3)** | |
| **e** Dividends or retroactive rate refunds due. (Do not include amount entered in line **9c(2)**.) | | | **9e** | |
| **10** Nonexperience-rated contracts: | | | | |
| **a** Total premiums or subscription charges paid to carrier | | | **10a** | |
| **b** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. | | | **10b** | |

Specify nature of costs.

## Part IV Provision of Information

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

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2020**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
APPLIED CARD SYSTEMS, INC. 401(K) RETIREMENT/SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
APPLIED CARD SYSTEMS, INC.

**D** Employer Identification Number (EIN)
51-0302476

## Part I Service Provider Information (see instructions)

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

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

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

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

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

KATHMERE CAPITAL MANAGEMENT LLC

1000 CONTINENTAL DR STE 430
KING OF PRUSSIA, PA 19406

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | INVESTMENT ADVISOR | 25010 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

BDO USA, LLP

PO BOX 642743
PITTSBURGH, PA 15264-2743

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 | AUDITOR | 16275 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

GREAT-WEST LIFE & ANNUITY INSURANCE

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 | RECORDKEEPER | 14518 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

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

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

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

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

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

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

## Part I Service Provider Information (continued)

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

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

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

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

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

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

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

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

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

| **Part III** | **Termination Information on Accountants and Enrolled Actuaries (see instructions)**<br>(complete as many entries as needed) |
|---|---|

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

**a** Name:

**b** EIN:

**c** Position:

**d** Address:

**e** Telephone:

Explanation:

# SCHEDULE 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

**2020**

**This Form is Open to Public Inspection**

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
APPLIED CARD SYSTEMS, INC. 401(K) RETIREMENT/SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
APPLIED CARD SYSTEMS, INC.

**D** Employer Identification Number (EIN)
51-0302476

## 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 | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 135059 | 101269 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 14375131 | 15141467 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 828564 | 1841844 |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | | **(a)** Beginning of Year | **(b)** End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | 0 | 0 |
| | **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** | Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 15338754 | 17084580 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | 0 | 0 |
| **h** | Operating payables | 1h | | |
| **i** | Acquisition indebtedness | 1i | 0 | 0 |
| **j** | Other liabilities | 1j | 0 | 0 |
| **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 | 15338754 | 17084580 |

## 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) | 0 | |
| | **(B)** Participants | 2a(1)(B) | 611470 | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | 34460 | |
| | **(2)** Noncash contributions | 2a(2) | 0 | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 645930 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| | **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| | **(E)** Participant loans | 2b(1)(E) | 6441 | |
| | **(F)** Other | 2b(1)(F) | 23110 | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 29551 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | 0 | |
| | **(B)** Common stock | 2b(2)(B) | 0 | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | 360432 | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 360432 |
| | **(3)** Rents | 2b(3) | | 0 |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| | **(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) | 0 | |
| | **(B)** Other | 2b(5)(B) | 0 | |
| | **(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) | | 0 |
| **(7)** Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| **(8)** Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| **(9)** Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| **(10)** Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | 1447960 |
| **c** Other income | 2c | | |
| **d** Total income. Add all **income** amounts in column (b) and enter total | 2d | | 2483873 |
| **Expenses** | | | |
| **e** Benefit payment and payments to provide benefits: | | | |
| **(1)** Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 705802 | |
| **(2)** To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| **(3)** Other | 2e(3) | 0 | |
| **(4)** Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 705802 |
| **f** Corrective distributions (see instructions) | 2f | | 0 |
| **g** Certain deemed distributions of participant loans (see instructions) | 2g | | 0 |
| **h** Interest expense | 2h | | 0 |
| **i** Administrative expenses: **(1)** Professional fees | 2i(1) | 0 | |
| **(2)** Contract administrator fees | 2i(2) | 55803 | |
| **(3)** Investment advisory and management fees | 2i(3) | 0 | |
| **(4)** Other | 2i(4) | 0 | |
| **(5)** Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 55803 |
| **j** Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 761605 |
| **Net Income and Reconciliation** | | | |
| **k** Net income (loss). Subtract line **2j** from line **2d** | 2k | | 1722268 |
| **l** Transfers of assets: | | | |
| **(1)** To this plan | 2l(1) | | 23558 |
| **(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)** [X] Unmodified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

**b** Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

**(1)** [X] DOL Regulation 2520.103-8 **(2)** [ ] DOL Regulation 2520.103-12(d) **(3)** [ ] neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

**(1)** Name: BDO USA, LLP **(2)** EIN: 13-5381590

**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 | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| **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 | |
| **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 | | 10000000 |
| **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** Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

# 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

**2020**

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

For calendar plan year 2020 or fiscal plan year beginning 01/01/2020 and ending 12/31/2020

**A** Name of plan
APPLIED CARD SYSTEMS, INC. 401(K) RETIREMENT/SAVINGS PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
APPLIED CARD SYSTEMS, INC.

**D** Employer Identification Number (EIN)
51-0302476

## 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): 84-1455663

**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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

| | | |
|---|---|---|
| **a** The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) | **14a** | |
| **b** The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **14b** | |
| **c** The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) | **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_____

# Applied Cards Systems, Inc.
# 401(k) Retirement Savings Plan

Financial Statements
and Supplemental Schedule
As of December 31, 2020 and 2019
and for the Year Ended December 31, 2020

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

BDO

# Applied Card Systems, Inc.
# 401(k) Retirement Savings Plan

Financial Statements and Supplemental Schedule
As of December 31, 2020 and 2019
and for the Year Ended December 31, 2020

# Applied Card Systems, Inc.
# 401(k) Retirement Savings Plan

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BDO

Tel: 215-564-1900
Fax: 215-564-3940
www.bdo.com

Ten Penn Center
1801 Market Street, Suite 1700
Philadelphia, PA 19103

## Independent Auditor's Report

To the Plan Administrator
Applied Card Systems, Inc. 401(k) Retirement Savings Plan
Boca Raton, FL

### *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2020 Financial Statements*

We have performed an audit of the financial statements of Applied Card Systems, Inc. 401(k) Retirement Savings Plan (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits as of December 31, 2020, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements ("2020 financial statements").

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2020 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan ("investment information") by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency ("qualified institution"), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification from a qualified institution as of December 31, 2020, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### *Opinion on the 2020 Financial Statements*

In our opinion, based on our audit and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the 2020 Financial Statements* section of our report

- the amounts and disclosures in the accompanying 2020 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America ("GAAP"); and

- the certified investment information in the accompanying 2020 financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet the requirements of ERISA Section 103(a)(3)(C).

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*Basis for Opinion on the 2020 Financial Statements*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 2020 Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Management is responsible for maintaining a current plan instrument, including all plan amendments. Management is also responsible for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

*Auditor's Responsibilities for the Audit of the 2020 Financial Statements*

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2020 Financial Statements* section of our report, our objectives are to obtain reasonable assurance about whether the 2020 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2020 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the 2020 financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Other Matter – 2020 Supplemental Schedule Required by ERISA***

The 2020 supplemental schedule of schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the 2020 financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the 2020 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 financial statements or to the 2020 financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

- the certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meet the requirements of ERISA Section 103(a)(3)(C).

***Other Matter – Report on the 2019 Financial Statements***

We were engaged to audit the statement of net assets available for benefits of the Plan as of December 31, 2019. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by the qualified institution. Our audit report, dated October 5, 2020, indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2019 financial statements, and (b) the form and content of the information included in the 2019 financial statements other than that derived from the information certified by the qualified institution were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

BDO USA, LLP

Philadelphia, Pennsylvania
October 8, 2021

# Financial Statements

# Applied Card Systems, Inc.
# 401(k) Retirement Savings Plan

## Statements of Net Assets Available for Benefits

| *December 31,* | 2020 | 2019 |
|---|---|---|
| **Assets** | | |
| Investments, at fair value | $ 15,141,467 | $ 14,375,131 |
| Investment contract, at contract value | 1,841,844 | 828,564 |
| **Receivables** | | |
| Notes receivable from participants | 146,739 | 179,621 |
| Participant contributions | 18,134 | - |
| **Total Assets** | 17,148,184 | 15,383,316 |
| **Liabilities** | | |
| Accrued expenses | 15,500 | 15,500 |
| **Total Liabilities** | 15,500 | 15,500 |
| **Net Assets Available for Benefits** | $ 17,132,684 | $ 15,367,816 |

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

# Applied Card Systems, Inc.
# 401(k) Retirement Savings Plan

## Statement of Changes in Net Assets Available for Benefits

*Year ended December 31, 2020*

| | |
|---|---|
| **Changes to Net Assets Attributed to:** | |
| Investment income: | |
| Net appreciation in fair value | $ 1,447,960 |
| Dividends and net realized capital gains | 360,432 |
| Interest | 23,110 |
| **Total Investment Income** | 1,831,502 |
| Interest income on notes receivable from participants | 7,349 |
| **Contributions** | |
| Participant | 629,604 |
| Rollover | 58,018 |
| **Total Contributions** | 687,622 |
| **Total Additions** | 2,526,473 |
| **Deductions from Net Assets Attributed to:** | |
| Benefits paid to participants | 705,802 |
| Administrative expense | 55,803 |
| **Total Deductions** | 761,605 |
| **Net Increase** | 1,764,868 |
| **Net Assets Available for Benefits**, beginning of year | 15,367,816 |
| **Net Assets Available for Benefits**, end of year | $ 17,132,684 |

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

## 1. Description of Plan

The following description of the Applied Card Systems, Inc. 401(k) Retirement Savings Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

*General*

The Plan, originally adopted April 1, 1998 and since amended, is a defined contribution plan covering all employees of Applied Card Systems, Inc., Applied Card Systems of Pennsylvania, Inc., Applied Bank, Backroom Services, Inc., Roch Capital Inc., and J'S MVP 2200 Concord Pike, LLC (collectively, the "Company") who have completed one month of service and are age 18 or older. Entry into the Plan is limited to the first day of each calendar month during the Plan year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

The Plan is administered by a committee consisting of officers appointed by the board of directors of the Company. No officer or employees receives compensation from the Plan. The Plan's assets are managed by Great-West Trust Company, LLC and Great-West Life Annuity Insurance Company ("Great-West").

*Contributions*

Each year, participants may contribute an amount of pretax annual compensation, as defined by the Plan, up to the maximum limits of the Internal Revenue Code ("IRC"). Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans ("rollovers").

The Company may make a discretionary contribution to the profit-sharing component of the Plan. This contribution is allocated to each participant in the ratio of that participant's compensation to the total of all participants' compensation and is vested based on years of continuous service. There were no discretionary contributions made during the Plan year ended December 31, 2020.

Participants direct the investment of all contributions offered by the Plan.

*Participant Accounts*

Each participant's account is credited with the participant's contribution and an allocation of the Company's discretionary contribution, if any, and investment earnings, and is charged with withdrawals and an allocation of investment losses and administrative expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

*Vesting*

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's discretionary contribution portion of their accounts plus actual earnings thereon is based on years of continuous service. A participant vests in the Company's discretionary contribution based on the years of service as follows:

| *Years of Service* | Vesting % |
|---|---|
| 1 or less | 0% |
| 2 | 25% |
| 3 | 50% |
| 4 | 100% |

*Forfeited Accounts*

Forfeited non-vested accounts totaled $12 and $0 at December 31, 2020 and 2019, respectively. Forfeitures may be used to satisfy Plan related administrative expenses, reduce future Company contributions, or be allocated to participant accounts at the Company's discretion. In 2020, administrative expenses were reduced by $5,357 from forfeited non-vested accounts. No forfeited non-vested accounts were allocated to participant accounts for the year ended December 31, 2020.

*Notes Receivable from Participants*

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance. The notes are secured by the balance in the participants' accounts and bear interest at 1% above the prime rate at the date of origination. Participants may not have more than two outstanding notes at any one time. Principal and interest are paid ratably through bi-weekly payroll deductions. Note terms range from one to five years, or greater for the purpose of acquiring a principal residence. The Plan had notes receivable from participants with interest rates ranging from 4.25% to 6.50% and maturity dates through 2028.

In accordance with section 2202(b)(1) of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), for any loan made to a participant on or after March 27, 2020 and before September 23, 2020, the $50,000 aggregate loan limit is increased to $100,000. There were no loans issued under this section of the CARES Act. Loan payments due from participants anytime beginning March 27, 2020 and ending December 31, 2020, who has an outstanding loan balance on or after March 27, 2020, may, upon the election of the participant, be suspended until the first pay period beginning on or after January 1, 2021. Subsequent payments will be adjusted for the deferral and any interest accruing during deferral. The period of deferral is disregarded when determining the loan terms. The total amount of loans deferred at December 31, 2020 was $19,464.

*Payment of Benefits*

Upon termination of service due to death, disability or retirement, a participant is entitled to receive the value of his or her account in a lump-sum distribution, annuity or annual installments. A participant who is otherwise terminated is entitled to receive his or her vested accrued benefit. A terminated participant whose accrued benefit is not greater than $5,000 shall receive his or her payment in a lump sum. Those with an accrued benefit greater than $5,000 may choose to receive payment in either a lump sum or in monthly installments. Participants who reach age 59½ or who

are disabled may withdraw all or a portion of their salary deferral contributions. Hardship withdrawals from a participant's deferral and rollover contribution accounts are permitted when certain criteria are met. The participant's deferral contributions are suspended for a period of six months following a hardship distribution.

In accordance with section 2202 of the CARES Act and Internal Revenue Service Notice 2020-50, qualified participants may request a Coronavirus-Related Distribution ("CRD") from vested balances between January 1, 2020 and December 31, 2020. A CRD may not exceed $100,000 (in the aggregate), or the total of the participant's account balance, if less, reduced by the amount of any prior CRD(s) that the participant has received on or after January 1, 2020 from the Plan.

The Plan made $26,812 of Coronavirus-Related Distribution in 2020.

## 2. Summary of Accounting Policies

### *Basis of Accounting*

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### *Use of Estimates*

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and changes therein, as well as disclosures of contingent assets and liabilities. Actual results may differ from those estimates.

### *Investment Valuation and Income Recognition*

Investments, with the exception of the fully benefit-responsive investment contract, 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. Plan management determines valuation policies utilizing information provided by Great-West. See Note 4 for discussion of fair value measurements.

The fully benefit-responsive investment contract is valued at contract value (Note 5). Contract value equals the accumulated cash contributions and interest credited to the Plan's contracts.

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 year.

### *Investment Fees*

Net investment returns reflect certain fees paid by the investment funds to their affiliated investment advisors, transfer agents and others as further described in each fund prospectus or other published documents. These fees are deducted prior to allocation of the Plan's investment earnings activity and thus are not separately presented as an expense in the accompanying financial statements.

*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 allowance for credit losses has been recorded as of December 31, 2020 or 2019. For participant loans that become delinquent, are not cured and result in default, the amount of the unpaid loan principal and interest due to the Plan will be treated as a deemed distribution other than those deferred under the CARES Act. Deemed distributions are reported as a taxable distribution and remain part of the participant's account balance until a distributable event occurs (i.e. as termination of employment).

*Payment of Benefits*

Benefits are recorded when paid.

*Administrative 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 certain individual participant transactions are charged directly to the participant's account. Other administrative expenses such as investment management, consulting fees and record keeping fees are paid by the Plan and may be allocated to participants.

A Plan Expense Account ("PEA") is maintained by Great-West which may be used to pay Plan expenses. Asset based payments are calculated based upon an average daily balance of the investments for the month. During the year ended December 31, 2020, the PEA paid $25,010 for certain Plan expenses.

## 3. Certified Investments

The Plan Administrator has elected the method of annual reporting compliance permitted by ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Great-West, a qualified institution, has certified to the completeness and accuracy of all investments and notes receivable from participants reported in accompanying Statements of Net Assets Available for Benefits as of December 31, 2020 and 2019, and the supplemental Schedule H, Line 4(i)-Schedule of Assets (Held at End of Year) as of December 31, 2020, and the related investment transactions and investment income and interest income on notes receivable from participants reported in the Statement of Changes in Net Assets Available for Benefits for the year ended December 31, 2020.

At the request of the Plan administrator, the Plan's independent auditors did not perform auditing procedures with respect to certified investment information, except for comparing such certified investment information included in the above named financial statements and ERISA-required supplemental schedule.

## 4. Fair Value Measurements

The framework for measuring fair value 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) and the lowest

priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include 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 or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methods used for assets measured at fair value. There have been no changes in the methods used at December 31, 2020 and 2019.

*Mutual funds*: Valued at the quoted net asset value ("NAV") of shares held by the Plan at year end. NAV is the price used to sell the investment on the open market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methods 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 tables set forth by level, within the fair value hierarchy, the Plan's assets as of December 31, 2020 and 2019:

| | Assets at Fair Value as of December 31, 2020 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 15,141,467 | $ - | $ - | $ 15,141,467 |
| Total Investments | $ 15,141,467 | $ - | $ - | $ 15,141,467 |

| | Assets at Fair Value as of December 31, 2019 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Mutual funds | $ 14,375,131 | $ - | $ - | $ 14,375,131 |
| Total Investments | $ 14,375,131 | $ - | $ - | $ 14,375,131 |

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

## 5. Investment Contract With Insurance Company

The Plan has entered into a fully benefit-responsive investment contract with Great-West (the "Issuer"). The Issuer maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals, losses on underlying investments and administrative expenses. The Issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. As described in Note 2, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the investment contract. Contract value, as reported to the Plan, represents contributions made under the contract, plus or minus earnings (losses), less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. Fair value approximates contract value at December 31, 2020 and 2019, totaling $1,841,844 and $828,564, respectively.

There were no reserves against contract value for credit risk of the contract issuer or otherwise. The methodology for calculating the interest crediting rate is based on the earnings of the underlying assets in the entire medium-long term new portfolio compared to the minimum interest crediting rate, as stated in the contract, and prevailing market conditions. The interest crediting rate is reset quarterly. The crediting rate was 1.98% as of December 31, 2020 and 2.15% as of December 2019.

Certain events limit the ability of the Plan to transact at contract value with the Issuer. Such events include the following: (1) amendments to the Plan document (including complete or partial plan termination or merger with another plan), (2) bankruptcy of the Company or other Company events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the Plan, or (3) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with plan participants, is probable.

## 6. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its discretionary contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become fully vested in their Company contributions and earnings thereon.

## 7. Tax Status

The underlying prototype plan has received an opinion letter from the Internal Revenue Service ("IRS") dated March 31, 2014 stating that the form of the Plan is qualified under Section 401 of the Internal Revenue Code ("IRC") and, therefore, the related trust is tax exempt. The plan administrator has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the Plan, as amended and restated, is

being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax exempt.

U.S. GAAP requires 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.

## 8. Risks and Uncertainties

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

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve. This pandemic has adversely affected global economic activity and contributed to volatility in financial markets. Since the values of the Plan's individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and related impact on the Plan's liquidity cannot be determined at this time.

## 9. Party-In-Interest Transactions

Included in the Plan's investments is a fully benefit-responsive investment contract and mutual funds managed by an affiliate of Great-West, as defined by the Plan. Additionally, the Plan issues notes receivable to its participants which are secured by the participants' account balances. These transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules. Transactions through the PEA would qualify as party-in-interest transactions.

## 10. Reconciliation to Form 5500

The following is a reconciliation of the Plan's net assets available for benefits per the financial statements to the Form 5500 at December 31, 2020 and 2019:

| | 2020 | 2019 |
|---|---|---|
| Net assets available for benefits per the financial statements | $ 17,132,684 | $ 15,367,816 |
| Accrued expenses | 15,500 | 15,500 |
| Deemed distributed loans | (45,248) | (44,562) |
| Participant contributions receivable | (18,134) | - |
| Interest income receivable | (222) | - |
| Net assets available for benefits per the Form 5500 | $ 17,084,580 | $ 15,338,754 |

The following is a reconciliation of the net increase in net assets available for benefits on the statement of changes in net assets available for benefits per the financial statements to the net decrease per the Form 5500 for the year ended December 31, 2020:

| | | |
|---|---|---|
| Net increase in net assets per the statement of changes in net assets available for benefits | $ | 1,764,868 |
| Less participant contribution receivable | | (18,134) |
| Less interest income receivable | | (222) |
| Less 2020 change in accrued expenses | | - |
| Less 2020 change in deemed distributed loans | | (686) |
| Net increase per Form 5500 | $ | 1,745,826 |

The following is a reconciliation of contributions per the financial statements to the Form 5500 for the year ended December 31, 2020:

| | | |
|---|---|---|
| Contributions per the financial statements | $ | 687,622 |
| Less current year contributions receivable | | (18,134) |
| Less transfer of assets to the plan | | (23,558) |
| Contributions per Form 5500 | $ | 645,930 |

The following is a reconciliation of interest income per the financial statements to the Form 5500 for the year ended December 31, 2020:

| | | |
|---|---|---|
| Interest per the financial statements | $ | 7,349 |
| Less interest on deemed distributed loans | | (686) |
| Less interest income receivable | | (222) |
| Interest per Form 5500 | $ | 6,441 |

## 11. Subsequent Events

The Plan evaluated subsequent events for recognition or disclosure through October 8, 2021, the date the financial statements were available to be issued.

# Supplemental Schedule

# Applied Card Systems, Inc.
# 401(k) Retirement Savings Plan

## Schedule H, Line 4(i) - Schedule of Assets (Held at End of Year)
## December 31, 2020
## Employer Identification Number 51-0302476 - Plan Number 001

| (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 |
| * | Great-West Key Guaranteed Portfolio Fund | Fixed annuity contract | ** | $ 1,841,844 |
| | Vanguard 500 Index Admiral | Mutual fund | ** | 4,140,059 |
| | Vanguard Lifestrategy Growth Inv | Mutual fund | ** | 2,377,611 |
| | Vanguard Mid Cap Index Fund - Admiral | Mutual fund | ** | 1,806,046 |
| | Vanguard Small Cap Index Adm | Mutual fund | ** | 1,719,327 |
| | JPMorgan Core Plus Bond R6 | Mutual fund | ** | 1,076,866 |
| | Vanguard Lifestrategy Moderate Growth | Mutual fund | ** | 803,871 |
| | Vanguard Lifestrategy Cnsrv Gr Inv | Mutual fund | ** | 648,434 |
| | Vanguard Total Intl Stock Index Admiral | Mutual fund | ** | 641,518 |
| | Vanguard Total Stock Mkt Idx Adm | Mutual fund | ** | 345,887 |
| | Vanguard Target Retirement 2040 Inv | Mutual fund | ** | 305,342 |
| | Vanguard Target Retirement 2015 Inv | Mutual fund | ** | 217,849 |
| | Vanguard Real Estate Index Admiral | Mutual fund | ** | 208,895 |
| | Vanguard Target Retirement 2020 Inv | Mutual fund | ** | 191,943 |
| | Vanguard Total Bond Market Index Admiral | Mutual fund | ** | 190,936 |
| | Vanguard Target Retirement 2030 Inv | Mutual fund | ** | 177,311 |
| | Vanguard Target Retirement 2050 Inv | Mutual fund | ** | 170,291 |
| | Vanguard Target Retirement 2060 Inv | Mutual fund | ** | 56,559 |
| | Vanguard Short-term Bond Index Adm | Mutual fund | ** | 39,539 |
| | Vaneck Emerging Markets Y | Mutual fund | ** | 23,183 |
| | **Total Mutual Funds** | | | 15,141,467 |
| | **Total Investments** | | | $ 16,983,311 |
| * | **Participant Loans** | Interest rates 4.25% to 6.50% | | $ 146,517 |

* Represents a party-in-interest as defined by ERISA
** Cost is not required for participant-directed investments.

TRACK ANOTHER SHIPMENT

774345736050

ADD NICKNAME

# Delivered
Thursday, 8/12/2021 at 10:14 am

**DELIVERED**

Signed for by: J.CASTIO

GET STATUS UPDATES

OBTAIN PROOF OF DELIVERY

Direct signature required

| FROM | TO |
|---|---|
| ENGLEWOOD, CO US | OGDEN, UT US |

## Travel History

**TIME ZONE**
Local Scan Time

Thursday, August 12, 2021

| | | |
|---|---|---|
| 10:14 AM | OGDEN, UT | Delivered |

## Shipment Facts

**TRACKING NUMBER**
774345736050

**SERVICE**
FedEx Standard Overnight

**SHIPPER REFERENCE**
420020214053

**SPECIAL HANDLING SECTION**
Deliver Weekday, Direct Signature Required

**SHIP DATE**
7/27/21

**SIGNATURE SERVICES**
Direct signature required

**ACTUAL DELIVERY**
8/12/21 at 10:14 am

EBSA/IRS

Re: Applied Card Systems, Inc. 401(k) Retirement/Savings Plan
Plan Year: 2020 Form 5500

To Whom It May Concern:

Please see the attached IRS Form 5500 for the plan noted above in connection with the plan year ended 12/31/2020. The Form 5558 Application for Extension of Time was sent timely via Fed Ex (tracking #774345736050) on July 27th but the package was apparently damaged by Fed Ex equipment and not delivered timely. Fed Ex found the contents, repackaged it and used the same tracking number to deliver the box to the IRS on August 12th. As the 5558 package was mailed timely on July 27th, we met the requirements for filing timely.

Our plan has met all previous filing deadlines timely. As we mailed our Form 5558 extension prior to the July 31st filing deadline and we mailed via Fed Ex which damaged our package through no fault of our own, we are requesting that you waive the penalty for late filing in this instance.

Your time and consideration in this matter are much appreciated. Please forward any correspondence regarding this issue to this office.

# SCHEDULE OF ASSETS (HELD AT END OF YEAR)

GA

## Applied Card Systems 401(K) Retirement/Savings Plan

01-JAN-20 to 31-DEC-20

19-JAN-21 11:19:55

| INVESTMENT OPTION | MATURITY DATE | INTEREST RATE | COST OF ASSETS | CURRENT VALUE |
|---|---|---|---|---|
| 1VTXVX | | | 213,989.31 | 217,848.58 |
| 1VTWNX | | | 184,698.62 | 191,943.30 |
| 1VTHRX | | | 148,791.95 | 177,310.50 |
| 1VFORX | | | 237,619.48 | 305,341.93 |
| 1VFIFX | | | 140,260.50 | 170,290.90 |
| 1VTTSX | | | 48,438.39 | 56,559.25 |
| 1VTIAX | | | 553,293.04 | 641,518.55 |
| 1EMRYX | | | 18,537.37 | 23,182.57 |
| 1VGSLX | | | 202,531.17 | 208,895.22 |
| 1VSMAX | | | 1,355,995.69 | 1,719,327.14 |
| 1VIMAX | | | 1,174,447.63 | 1,806,045.78 |
| 1VFIAX | | | 2,484,525.20 | 4,140,059.00 |
| 1VASGX | | | 1,816,446.29 | 2,377,610.70 |
| 1VTSAX | | | 236,211.36 | 345,887.39 |
| 1VSCGX | | | 547,638.11 | 648,433.98 |
| 1VSMGX | | | 641,224.08 | 803,871.46 |
| 1JCPUX | | | 1,037,413.09 | 1,076,865.69 |
| 1VBIRX | | | 37,579.99 | 39,539.30 |
| 1VBTLX | | | 179,800.62 | 190,936.26 |
| 1GWSGF | | 1.900 | 1,794,492.93 | 1,841,832.53 |
| | | | **13,053,934.82** | **16,983,300.03** |
| PARTICIPANT LOANS | VARIOUS | 4.250-6.500 | 101,267.80 | 101,268.64 |
| FORFEITURES | | | 0.00 | 11.59 |

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 51-0302476

LEGEND

INVESTMENT OPTION:

| | | | |
|---|---|---|---|
| 1VTXVX | Vanguard Target Retirement 2015 Inv | 1VTWNX | Vanguard Target Retirement 2020 Inv |
| 1VTHRX | Vanguard Target Retirement 2030 Inv | 1VFORX | Vanguard Target Retirement 2040 Inv |
| 1VFIFX | Vanguard Target Retirement 2050 Inv | 1VTTSX | Vanguard Target Retirement 2060 Inv |
| 1VTIAX | Vanguard Total Intl Stock Index Admiral | 1EMRYX | VanEck Emerging Markets Y |
| 1VGSLX | Vanguard Real Estate Index Admiral | 1VSMAX | Vanguard Small Cap Index Adm |
| 1VIMAX | Vanguard Mid Cap Index Fund - Admiral | 1VFIAX | Vanguard 500 Index Admiral |
| 1VASGX | Vanguard LifeStrategy Growth Inv | 1VTSAX | Vanguard Total Stock Mkt Idx Adm |
| 1VSCGX | Vanguard LifeStrategy Cnsrv Gr Inv | 1VSMGX | Vanguard LifeStrategy Moderate Growth |
| 1JCPUX | JPMorgan Core Plus Bond R6 | 1VBIRX | Vanguard Short-Term Bond Index Adm |
| 1VBTLX | Vanguard Total Bond Market Index Admiral | 1GWSGF | Great-West Select Guaranteed Fund |

COST OF ASSETS: The original cost of the assets in each investment option as of the last day of the plan year
CURRENT VALUE: The value of all assets in each investment option as of the last day of the plan year