

**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

**2022**

**This Form is Open to Public Inspection**

**Part I Annual Report Identification Information**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/22/2022

- A** This return/report is for:
  - a multiemployer plan
  - a single-employer plan
  - a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
  - a DFE (specify) \_\_\_\_\_
- B** This return/report is:
  - the first return/report
  - the final return/report
  - an amended return/report
  - a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here. . . . . ▶
- D** Check box if filing under:
  - Form 5558
  - automatic extension
  - special extension (enter description)
  - the DFVC program
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶

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

<b>1a</b> Name of plan <u>LEGILITY, LLC 401(K) PLAN</u>	<b>1b</b> Three-digit plan number (PN) ▶ <u>001</u>
	<b>1c</b> Effective date of plan <u>01/01/2006</u>
<b>2a</b> Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>LEGILITY, LLC</u>  <u>216 CENTERVIEW DRIVE SUITE 250</u> <u>BRENTWOOD, TN 37027</u>	<b>2b</b> Employer Identification Number (EIN) <u>45-4166879</u>
	<b>2c</b> Plan Sponsor's telephone number <u>615-467-2388</u>
	<b>2d</b> Business code (see instructions) <u>541110</u>

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

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>	<u>Filed with authorized/valid electronic signature.</u>	<u>08/04/2023</u>	<u>DONNA STEWART</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2022)  
v. 220413

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN  <b>3c</b> Administrator's telephone number
<b>4</b> 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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN  <b>4d</b> PN
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 1929
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).  <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year .....  <b>b</b> Retired or separated participants receiving benefits ..... <b>c</b> Other retired or separated participants entitled to future benefits..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. .... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....  <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....  <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b> 1777 <b>6a(2)</b> <b>6b</b> <b>6c</b> <b>6d</b> 0 <b>6e</b> <b>6f</b> 0 <b>6g</b> <b>6h</b>
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....	<b>7</b>
<b>8a</b> 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 3H 3D  <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
<b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>0</b> <b>A</b> (Insurance Information) (4) <input checked="" type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)

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

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**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.

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

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**11c** Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 \_\_\_\_\_

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<b>SCHEDULE C</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/22/2022

<b>A</b> Name of plan <u>LEGILITY, LLC 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>LEGILITY, LLC</u>	<b>D</b> Employer Identification Number (EIN) <u>45-4166879</u>	

**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  
FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

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

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

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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)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(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?
37 60 64 65	RECORDKEEPER	32092	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	0	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

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

HAWS GOODWIN FINANCIAL

26-3114771

(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	ADVISOR	27500	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(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 <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DE IVY SM CP GRTH I - DELAWARE INV  52-2269240	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
DODGE&COX INTL STK I - DST ASSET M      430 W 7TH STREET STE 219432 KANSAS CITY, MO 64105	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J H ENTERPRISE T - JANUS HENDERSON      151 DETROIT STREET, DENVER, CO 80206	0.35%	

**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
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
J H SMALL CAP VAL I - JANUS HENDER 151 DETROIT STREET, DENVER, CO 80206	0.10%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
METWEST TOT RTN BD I - BNY MELLON 301 BELLEVUE PARKWAY WILMINGTON, DE 19809	0.10%	
(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.

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

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

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

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

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

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

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

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<p style="text-align: center;"><b>SCHEDULE H</b> <b>(Form 5500)</b></p> <p style="font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="font-size: x-small;">Department of Labor Employee Benefits Security Administration</p> <hr/> <p style="font-size: x-small;">Pension Benefit Guaranty Corporation</p>	<p><b>Financial Information</b></p> <p style="font-size: x-small;">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).</p> <p style="text-align: center;">▶ <b>File as an attachment to Form 5500.</b></p>	<p style="font-size: x-small;">OMB No. 1210-0110</p> <hr/> <p style="font-size: large; font-weight: bold;">2022</p> <hr/> <p style="font-weight: bold;">This Form is Open to Public Inspection</p>
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For calendar plan year 2022 or fiscal plan year beginning <b>01/01/2022</b> and ending <b>12/22/2022</b>	
<p><b>A</b> Name of plan <b>LEGILITY, LLC 401(K) PLAN</b></p>	<p><b>B</b> Three-digit plan number (PN) ▶ <b>001</b></p>
<p><b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>LEGILITY, LLC</b></p>	<p><b>D</b> Employer Identification Number (EIN) <b>45-4166879</b></p>

**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
<b>a</b> Total noninterest-bearing cash.....	<b>1a</b> 0	0
<b>b</b> Receivables (less allowance for doubtful accounts):		
<b>(1)</b> Employer contributions.....	<b>1b(1)</b> 0	0
<b>(2)</b> Participant contributions.....	<b>1b(2)</b> 0	0
<b>(3)</b> Other.....	<b>1b(3)</b> 0	0
<b>c</b> General investments:		
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....	<b>1c(1)</b> 808078	0
<b>(2)</b> U.S. Government securities.....	<b>1c(2)</b> 0	0
<b>(3)</b> Corporate debt instruments (other than employer securities):		
<b>(A)</b> Preferred.....	<b>1c(3)(A)</b> 0	0
<b>(B)</b> All other.....	<b>1c(3)(B)</b> 0	0
<b>(4)</b> Corporate stocks (other than employer securities):		
<b>(A)</b> Preferred.....	<b>1c(4)(A)</b> 0	0
<b>(B)</b> Common.....	<b>1c(4)(B)</b> 0	0
<b>(5)</b> Partnership/joint venture interests.....	<b>1c(5)</b> 0	0
<b>(6)</b> Real estate (other than employer real property).....	<b>1c(6)</b> 0	0
<b>(7)</b> Loans (other than to participants).....	<b>1c(7)</b> 0	0
<b>(8)</b> Participant loans.....	<b>1c(8)</b> 248311	0
<b>(9)</b> Value of interest in common/collective trusts.....	<b>1c(9)</b> 0	0
<b>(10)</b> Value of interest in pooled separate accounts.....	<b>1c(10)</b> 0	0
<b>(11)</b> Value of interest in master trust investment accounts.....	<b>1c(11)</b> 0	0
<b>(12)</b> Value of interest in 103-12 investment entities.....	<b>1c(12)</b> 0	0
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b> 28956931	0
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b> 0	0
<b>(15)</b> Other.....	<b>1c(15)</b> 0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	30013320	0
<b>Liabilities</b>			
g Benefit claims payable.....	1g	0	0
h Operating payables.....	1h	0	0
i Acquisition indebtedness.....	1i	0	0
j Other liabilities.....	1j	0	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	0	0
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	30013320	0

**Part II Income and Expense Statement**

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

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	32355	
(B) Participants.....	2a(1)(B)	14374	
(C) Others (including rollovers).....	2a(1)(C)	0	
(2) Noncash contributions.....	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		46729
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	1934	
(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)	1268	
(F) Other.....	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		3202
(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)	96062	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		96062
(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)		
(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 .....	<b>2b(6)</b>		0
(7) Net investment gain (loss) from pooled separate accounts .....	<b>2b(7)</b>		0
(8) Net investment gain (loss) from master trust investment accounts .....	<b>2b(8)</b>		0
(9) Net investment gain (loss) from 103-12 investment entities.....	<b>2b(9)</b>		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		-2148626
<b>c</b> Other income .....	<b>2c</b>		0
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	<b>2d</b>		-2002633
<b>Expenses</b>			
<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	27945063	
(2) To insurance carriers for the provision of benefits .....	<b>2e(2)</b>	0	
(3) Other .....	<b>2e(3)</b>	0	
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		27945063
<b>f</b> Corrective distributions (see instructions) .....	<b>2f</b>		4247
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	<b>2g</b>		1785
<b>h</b> Interest expense .....	<b>2h</b>		0
<b>i</b> Administrative expenses: (1) Professional fees .....	<b>2i(1)</b>	0	
(2) Contract administrator fees.....	<b>2i(2)</b>	0	
(3) Investment advisory and management fees .....	<b>2i(3)</b>	0	
(4) Other .....	<b>2i(4)</b>	59592	
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		59592
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	<b>2j</b>		28010687
<b>Net Income and Reconciliation</b>			
<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		-30013320
<b>l</b> Transfers of assets:			
(1) To this plan .....	<b>2l(1)</b>		0
(2) From this plan.....	<b>2l(2)</b>		0

**Part III Accountant's Opinion**

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

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

- (1)  Unmodified (2)  Qualified (3)  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)  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: FORVIS, LLP

(2) EIN: 44-0160260

**d** The opinion of an independent qualified public accountant is **not attached** because:

- (1)  This form is filed for a CCT, PSA, or MTIA. (2)  It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) .....

	Yes	No	Amount
<b>4a</b>		X	

		Yes	No	Amount
<b>b</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.).....	<b>4b</b>		X	
<b>c</b> 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.) .....	<b>4c</b>		X	
<b>d</b> 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.).....	<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	<b>4e</b>	X		1500000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>4f</b>		X	
<b>g</b> 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? .....	<b>4g</b>		X	
<b>h</b> 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?.....	<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	<b>4i</b>		X	
<b>j</b> 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.).....	<b>4j</b>		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....	<b>4k</b>	X		
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>4m</b>		X	
<b>n</b> 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. ....	<b>4n</b>		X	

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?.....  Yes  No  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

**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 \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2022</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/22/2022

<b>A</b> Name of plan <u>LEGILITY, LLC 401(K) PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>001</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>LEGILITY, LLC</u>	<b>D</b> Employer Identification Number (EIN) <u>45-4166879</u>	

<b>Part I</b>	<b>Distributions</b>
---------------	----------------------

**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	
---	--

**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): 04-6568107

**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	
---	--

<b>Part II</b>	<b>Funding Information</b> (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.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	<b>6a</b>	
<b>6 b</b> Enter the amount contributed by the employer to the plan for this plan year.....	<b>6b</b>	
<b>6 c</b> 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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
-----------------	-------------------

**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

<b>Part IV</b>	<b>ESOPs</b> (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 (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) .....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year.....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year.....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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.....	<b>16b</b>	

**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 \_\_\_\_\_

# FORVIS

## Report to Plan Administrative Committee and Plan Management

### Legility, LLC 401(k) Plan

### Results of the 2022 Financial Statement Audit, Including Required Communications

Nashville, TN

December 22, 2022

[forvis.com](https://forvis.com)



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# Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

## Overview & Responsibilities

Matter	Discussion
<b>Section 103(a)(3)(C) – 29 CFR 2520.130-8</b>	<p>Management has elected to have the audit of the Legility, LLC 401(k) Plan's (Plan) financial statements performed in accordance with <i>Employee Retirement Income Security Act of 1974</i> (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.</p> <p>An audit performed in accordance with ERISA Section 103(a)(3)(C) does 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, a qualified institution, that prepared and certified the investment information in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.</p> <p>Management has determined that an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances. Management has also determined that the investment information is prepared and certified by a qualified institution as described by 29 CFR 2520.103-8, that the certification meets the requirements in 29 CFR 2520.103-5, and that the certified investment information is appropriately measured, presented, and disclosed in accordance with accounting principles generally accepted in the United States of America.</p>



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Matter	Discussion
<b>Purpose</b>	The purpose of an ERISA Section 103(a)(3)(C) audit is to express an opinion on whether the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with generally accepted accounting principles and that the assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the certified investment information.
<b>Scope of Our Audit</b>	<p>This report covers audit results related to your financial statements.</p> <ul style="list-style-type: none"> <li>• As of December 22, 2022, and for the for the period from January 1, 2022, through December 22, 2022.</li> <li>• Conducted in accordance with our contract dated May 10, 2023.</li> </ul>
<b>Our Responsibilities</b>	FORVIS is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).
<b>Audit Scope &amp; Inherent Limitations to Reasonable Assurance</b>	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.



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Matter	Discussion
<b>Extent of Our Communication</b>	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
<b>Independence</b>	The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.
<b>Your Responsibilities</b>	Our audit does not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
<b>Distribution Restriction</b>	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> <li>• Plan administrative committee and management.</li> <li>• Others within the Plan.</li> </ul>



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## Qualitative Aspects of Significant Accounting Policies & Practices

The following matters are detailed in the following pages and included in our assessment:

### Significant Accounting Policies

Significant accounting policies are described in Note 2 of the audited financial statements.

With respect to new accounting standards adopted during the year, we call to your attention the following topics detailed in the following pages:

- No matters are reportable.

### Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature), we noted the following:

- No matters are reportable.

### Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable.





## Management Judgments & Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Plan termination/liquidation basis of accounting presentation.

## Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Determination of fair values.
- Party-in-interest transactions.
- Related parties.
- Plan termination/liquidation basis of accounting presentation.

## Our Judgment About the Quality of the Plan's Accounting Principles

During the course of the audit, we made the following observations regarding the Plan's application of accounting principles:

- No matters are reportable.

## Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

## Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable.

## Uncorrected Misstatements

- No uncorrected misstatements.

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## Reportable Findings

During the course of the audit, we have identified the following reportable findings that are considered significant and relevant to those charged with governance over the Plan:

- Plan administration (see Deficiencies).
- Fidelity bond coverage compliance (see Deficiencies).

## Other Required Communications

### Other Material Communications

Listed below are other material communications between management and us related to the audit:

- Management representation letter (see Attachments).

**FORV/S**

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# Required Communications Regarding Internal Control (AU-C 265)

## Consideration of Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of Legility, LLC 401(k) Plan as of and for the period from January 1, 2022, through December 22, 2022, in accordance with GAAS, we considered the Plan's internal control over financial reporting (internal control).

This consideration served as a basis for designing our audit procedures that are appropriate in the circumstance for the purpose of expressing our opinion on the financial statements.

However, this consideration was **not** for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.

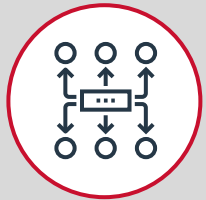
Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

## Categorizing Deficiencies by Severity

### Deficiency

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.



### Significant Deficiency

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



### Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatements of the Plan's financial statements will not be prevented or detected and corrected on a timely basis.



## Identified Deficiencies

We identified certain deficiencies in internal control that we consider to be deficiencies.

### ***Deficiencies***

#### ***Plan Administration (Recurring Comment)***

- It is the Plan sponsor's responsibility to administer the Plan in accordance with the various rules and regulations, as well as the Plan document. The Plan sponsor is also responsible for the prudent oversight and review of all services provided by third parties to the Plan, *i.e.*, Fidelity Management Trust Company (Fidelity). Hiring a service provider to perform duties on behalf of the Plan is a fiduciary function. As part of its fiduciary responsibilities, the Plan sponsor is required to periodically monitor service providers to ensure they are properly performing the agreed-upon services.

#### ***Fidelity Bond Coverage Compliance***

- During our testing, we noted the employee fidelity bond coverage required under the Section 412 of ERISA was not maintained for a portion of the audit period. Even in a period of liquidation, fidelity bond coverage is required to be maintained.





## Attachments

### **Audited Financial Statements**

The audited financial statements are included herein for your reference.

### **Management Representation Letter**

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

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# Appendix A

## Audited Financial Statements

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# **Legility, LLC 401(k) Plan**

## **Independent Auditor's Report and Financial Statements**

EIN 45-416687 PN 001

December 22, 2022 and December 31, 2021



# Legility, LLC 401(k) Plan

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

## Contents

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Statements of Changes in Net Assets Available for Benefits.....	5
Notes to Financial Statements.....	6

## Independent Auditor's Report

Plan Administrative Committee and Plan Management  
Legility, LLC 401(k) Plan  
Brentwood, Tennessee

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

We have performed audits of the financial statements of the Legility, LLC 401(k) Plan (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) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 22, 2022, and December 31, 2021, and the related statement of changes in net assets available for benefits for the period from January 1, 2022, through December 22, 2022 (in liquidation), and for the year then ended December 31, 2021 (in liquidation), and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's 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. As permitted by ERISA Section 103(a)(3)(C), our audits 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, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period ended December 22, 2022, and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### **Opinion**

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

- The amounts and disclosures in the accompanying 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.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 audits. 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.

### ***Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting***

As discussed in Note 6 to the financial statements, the board of directors of Legility, LLC, the Plan's sponsor, voted on December 13, 2021, to terminate the Plan, and management determined liquidation is imminent. In accordance with accounting principles generally accepted in the United States of America, the Plan presented the 2022 and 2021 financial statements under the liquidation basis of accounting. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 these financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, 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 Financial Statements***

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 audits 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 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 accounting principles generally accepted in the United States of America.

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

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.

**FORVIS, LLP**

Nashville, Tennessee  
August 1, 2023

Federal Employer Identification Number: 44-0160260

**Legility, LLC 401(k) Plan**  
**Statements of Net Assets Available for Benefits**  
**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

**Assets**

	<b>2022</b> <b>(in Liquidation)</b>	<b>2021</b> <b>(in Liquidation)</b>
<b>Investments, At Fair Value</b>		
Money market fund	\$ -	\$ 808,078
Mutual funds	-	28,956,931
	-	28,956,931
Total investments, at fair value	-	29,765,009
<b>Accrued Net Investment Loss in Liquidation</b>	-	(2,083,665)
<b>Receivables</b>		
Employer contributions	-	92,984
Participant contributions	-	14,374
Notes receivable from participants	-	248,311
	-	355,669
Total receivables	-	355,669
Total assets	-	28,037,013

**Liabilities**

<b>Accrued Expenses Incurred in Liquidation, Net</b>	-	59,592
<b>Excess Contributions Payable</b>	-	8,143
	-	8,143
Total liabilities	-	67,735
<b>Net Assets Available For Benefits</b>	\$ -	\$ 27,969,278

**Legility, LLC 401(k) Plan**  
**Statements of Changes in Net Assets Available for Benefits**  
**Period Ended January 1, 2022, Through December 22, 2022 (in Liquidation) and**  
**Year Ended December 31 2021 (in Liquidation)**

	<u>2022</u> <u>(in Liquidation)</u>	<u>2021</u> <u>(in Liquidation)</u>
<b>Investment Income</b>		
Net appreciation (depreciation) in fair value of investments	\$ (63,151)	\$ 2,891,523
Interest and dividends	<u>94,779</u>	<u>925,517</u>
Net investment income	<u>31,628</u>	<u>3,817,040</u>
<b>Interest Income on Notes Receivable from Participants</b>	<u>1,202</u>	<u>6,929</u>
<b>Contributions</b>		
Employer	-	645,095
Participants	(60,629)	3,835,028
Rollovers	<u>-</u>	<u>229,625</u>
	<u>(60,629)</u>	<u>4,709,748</u>
Total additions	<u>(27,799)</u>	<u>8,533,717</u>
<b>Deductions</b>		
Benefits paid to participants	27,941,479	1,927,378
Administrative expenses	<u>-</u>	<u>131,063</u>
Total deductions	<u>27,941,479</u>	<u>2,058,441</u>
<b>Net Increase</b>	<u>(27,969,278)</u>	<u>6,475,276</u>
<b>Adjustments to Liquidation Basis</b>	-	(2,143,257)
<b>Net Assets Available for Benefits, Beginning of Year</b>	<u>27,969,278</u>	<u>23,637,259</u>
<b>Net Assets Available for Benefits, End of Year</b>	<u>\$ -</u>	<u>\$ 27,969,278</u>

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

### Note 1: Description of the Legility, LLC 401(k) Plan

The following description of the Legility, LLC 401(k) Plan (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 was a defined contribution Plan sponsored by Legility, LLC (Company) (formerly COC Holdco, LLC) for the benefit of its employees who are age 21 years or older and have one month of service. The Plan was subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Fidelity Management Trust Company (Fidelity) was the trustee of the Plan.

#### **Contributions**

The Plan permitted eligible employees through a salary deferral election to have the Company make annual contributions of up to 90% of their eligible compensation. Employee rollover contributions were also permitted. Participants who attained age 50 before the end of the Plan year were eligible to make catch-up contributions. The Company's profit-sharing contributions were discretionary as determined by the Company's board of directors. Contributions were subject to certain limitations.

#### **Participant Investment Account Options**

Each eligible participant had the option of directing his or her contributions into any of the various investment options offered by the Plan and could change the allocation daily.

#### **Participant Accounts**

Each participant's account was credited with the participant's contribution, the Company's contributions, and Plan earnings, and was charged with an allocation of administrative expenses. Allocations were based on participant earnings or account balances, as defined. The benefit to which a participant was entitled was the benefit that could be provided from the participant's vested account.

#### **Vesting**

Participants were immediately vested in their voluntary contributions, plus earnings thereon. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, was based on years of continuous service. A participant was fully vested after six years of continuous service.

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

### ***Notes Receivable from Participants***

Participants could 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 account balance. The loans were secured by the balance in the participant's account. The loan interest rate, determined quarterly, was set at 1% above the prime rate, as defined. Principal and interest was paid ratably through monthly payroll deductions.

### ***Payment of Benefits***

Upon termination of service due to death, disability, or retirement, a participant could elect to receive an amount equal to the value of the vested interest in his or her account based on a schedule elected by the participant or participant's beneficiary. Upon termination of service for other reasons, a participant could receive the value of the vested interest in their account only as a lump-sum distribution.

### ***Forfeited Accounts***

At December 22, 2022, and December 31, 2021, forfeited nonvested accounts totaled \$0 and \$60,459, respectively. These accounts could be used to reduce future employer contributions. During the period ended December 22, 2022, and for the year ended December 31, 2021, employer contributions were reduced by \$59,639 and \$32,021, respectively, from forfeited nonvested accounts.

## **Note 2: Summary of Significant Accounting Policies**

### ***Basis of Accounting***

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

As discussed in Note 6 to the financial statements, the board of directors resolved to terminate the Plan effective December 13, 2021, and management determined liquidation is imminent. As a result, the Plan presented the 2022 and 2021 financial statements under the liquidation basis of accounting.

### ***Use of Estimates***

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

### ***Investment Valuation and Income Recognition***

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at the quoted market prices of shares held by the Plan at year-end.

# **Legility, LLC 401(k) Plan**

## **Notes to Financial Statements**

**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

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 in the fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

### ***Notes Receivable from Participants***

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

### ***Excess Contributions Payable***

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2021 excess contributions to the applicable participants before March 15, 2022.

### ***Payment of Benefits***

Benefit payments to participants are recorded upon distribution.

### ***Administrative Expenses***

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

## **Note 3: Certification of Plan Trustee**

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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity, a qualified institution and the trustee of the Plan, has certified the following information included in the accompanying financial statements is complete and accurate:

- Investments, if any, as shown in the statements of net assets available for benefits as of December 22, 2022, and December 31, 2021.
- Investment income as shown in the statements of changes in net assets available for benefits for the period ended December 22, 2022, and for the year then ended December 31, 2021.

The Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such information to the related information included in the financial statements.

**Legility, LLC 401(k) Plan**  
**Notes to Financial Statements**  
**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

**Note 4: Related-Party and Party-in-Interest Transactions**

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees were covered by the Plan, an employee organization whose members were covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

Certain Plan investments were shares of mutual funds managed by Fidelity. Fidelity was the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. The Plan directly paid any other fees related to the Plan's operations.

The Plan paid \$32,092 and \$80,383 of recordkeeping fees to Fidelity during the period ended December 22, 2022, and for the year ended December 31, 2021, respectively. The Company provided certain administrative services at no cost to the Plan. The Plan also paid \$27,500 and \$50,679 of advisory fees to a financial advisor for period ended December 22, 2022, and for the year then ended December 31, 2021, respectively.

**Note 5: Disclosures About Fair Value of Plan Assets and Liabilities**

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

***Recurring Measurements***

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

December 31, 2021 (note there were no assets held by the Plan as of December 22, 2022, since all assets were distributed from the Plan to Plan participants prior to that date):

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2021 (in Liquidation)</b>				
Money market funds	\$ 808,078	\$ 808,078	\$ -	\$ -
Mutual funds	28,956,931	28,956,931	-	-
Investments at fair value	<u>\$ 29,765,009</u>	<u>\$ 29,765,009</u>	<u>\$ -</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets, pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the period ended December 22, 2022, and for the year ended December 31, 2021. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

### Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. For the Plan period ended December 22, 2022, and for the year ended December 31, 2021, all investments were considered to be Level 1 securities.

### Note 6: Plan Termination

On December 13, 2021, the Plan sponsor's board of directors resolved to terminate the Plan, with such termination effective December 13, 2021. All participants became 100% vested in their benefits at this time. The Plan was subsequently fully liquidated as of September 1, 2022 and terminated on December 22, 2022. Due to the liquidation basis being used in presenting the 2021 financial statements, an accrued net investment loss of \$2,083,665 was recorded. Additionally, the Plan recorded \$59,592 of expenses incurred in liquidation in the 2021 financial statements. No liquidation adjustments were recorded in the 2022 financial statements.

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

### Note 7: Tax Status

The Plan operated under an adoption agreement in connection with a volume submitter defined contribution Plan document sponsored by Fidelity Management and Research Company. The volume submitter Plan document has been filed with the appropriate agency. The Plan has not obtained a determination letter. However, the Plan administrator believes that the Plan was designed and operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan was qualified, and the related trust was tax exempt as of the financial statement date.

### Note 8: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 22, 2022, and December 31, 2021:

	<b>2022</b> <b>(in Liquidation)</b>	<b>2021</b> <b>(in Liquidation)</b>
Net assets available for benefits per the financial statements	\$ -	\$ 27,969,278
Accrued net investment loss in liquidation	-	2,083,665
Participant contributions receivable	-	(14,374)
Employer contributions receivable	-	(92,984)
Excess contributions payable	-	8,143
Accrued expenses incurred in liquidation, net	-	59,592
	<u>-\$ -</u>	<u>\$ 30,013,320</u>
Net assets available for benefits per Form 5500	<u>\$ -</u>	<u>\$ 30,013,320</u>

The following is a reconciliation of the change in net assets available for benefits per the financial statements for the period ended December 22, 2022, and for the year ended December 31, 2021:

	<b>2022</b> <b>(in Liquidation)</b>	<b>2021</b> <b>(in Liquidation)</b>
Net change in net assets available for benefits per the statements	\$ (27,969,278)	\$ 6,475,276
Change in participant contributions receivable	14,374	86,531
Change in employer contribution receivable	92,984	(44,570)
Change in excess contributions payable	(8,143)	(54,091)
Change in accrued net investment loss in liquidation	(2,083,665)	-
Change in accrued expenses incurred in liquidation	(59,592)	-
	<u>\$(27,969,278)</u>	<u>\$6,475,276</u>
Change in net assets available for benefits per Form 5500	<u>\$ (30,013,320)</u>	<u>\$ 6,463,146</u>

# **Legility, LLC 401(k) Plan**

## **Notes to Financial Statements**

**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

### **Note 9: Risks and Uncertainties**

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

### **Note 10: Subsequent Events**

Subsequent events have been evaluated through August 1, 2023, which is the date the financial statements were available to be issued.



## **Appendix B**

### **Management Representation Letter**

**FORV/S**

FORVIS is a trademark of FORVIS, LLP, registration of which is pending with the U.S. Patent and Trademark Office

**Representation of:**

Legility, LLC 401(k) Plan  
216 Centerview Drive, Suite 250  
Brentwood, TN 37027

**Provided to:**

**FORVIS, LLP**  
Certified Public Accountants  
1222 Demonbreun Street, Suite 950  
Nashville, TN 37203-1301

The undersigned (We) are providing this letter in connection with FORVIS' audits of the financial statements of the Legility, LLC 401(k) Plan (Plan) as of and for the period ended December 22, 2022, and the year ended December 31, 2021.

Our representations are current and effective as of the date of FORVIS' report: August 1, 2023.

Our engagement with FORVIS is based on our contract for services dated: May 10, 2023.

**Our Responsibility and Consideration of Material Matters**

We confirm that we are responsible for the fair presentation of the financial statements subject to FORVIS' report in conformity with accounting principles generally accepted in the United States of America and for the fair presentation of the accompanying supplemental schedule(s) in conformity with the Department of Labor's (DOL) Rules and Regulations under the *Employee Retirement Income Security Act of 1974* (ERISA).

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

We elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We acknowledge that the audits did 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, a qualified institution, that prepared and certified the investment information in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We have determined that an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances. We have also determined that the investment information is prepared and certified by a qualified institution as described by 29 CFR 2520.103-8, that the certification meets the requirements in 29 CFR 2520.103-5 and, that the certified investment information is appropriately measured, presented, and disclosed in accordance with accounting principles generally accepted in the United States of America.

The purpose of an ERISA Section 103(a)(3)(C) audit is to express an opinion on whether the amounts and disclosures in the financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with generally accepted accounting principles and that the assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the certified investment information.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Legility, LLC 401(k) Plan  
Page 2

An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

### **Confirmation of Matters Specific to the Subject Matter of FORVIS' Report**

We confirm, to the best of our knowledge and belief, the following:

#### **Broad Matters**

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
  - a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
  - b. Internal control to prevent and detect fraud.
3. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
  - b. The most current Plan instrument for the audit period, including all Plan amendments.
  - c. A draft of the Form 5500 that is substantially complete.
  - d. Additional information that you have requested from us for the purpose of the audit.
  - e. Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence.
  - f. All minutes of administrative committee meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the administrative committee, if applicable, and maintained as part of our records.
  - g. All significant contracts.
4. We acknowledge the Plan does not meet the definition of a "public entity" under generally accepted accounting principles (GAAP).
5. We have responded fully and truthfully to all your inquiries.

#### **Plan Design and Operations**

6. We acknowledge our responsibility for administering the Plan and determining that the Plan's transactions that are presented and disclosed in the ERISA Plan 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.

Legility, LLC 401(k) Plan  
Page 3

7. The financial statements of the Plan as of and for the period ending December 22, 2022, and the year ended December 31, 2021, are presented on the liquidation basis of accounting. With respect to that:
  - a. The liquidation of the Plan became imminent as of December 13, 2021, as provided to you.
  - b. The Plan for liquidation was approved on December 13, 2021, as provided to you.
  - c. We are responsible for the significant assumptions and methods used to determine the amounts expected to be collected during liquidation.
  - d. Assets of the Plan reflect their best estimate of the amount of cash or other consideration that the Plan expects to collect in settling or disposing of those assets in carrying out its liquidation.
  - e. To the best of our knowledge and belief, the Plan will not return from liquidation.
8. The Plan operated under an adoption agreement in connection with a volume submitter defined contribution Plan document sponsored by Fidelity. The volume submitter Plan document has been filed with the appropriate agency. The Plan has not obtained or requested a determination letter. However, the Plan administrator believes that the Plan was designed and operated in compliance with the applicable requirements of the Internal Revenue Code (IRC). Therefore, we believe that the Plan was qualified, and the related trust was tax exempt as of the financial statement date.
9. The Plan has complied with the fidelity bonding requirements of ERISA.
10. The Plan has made no investments during the year that violate the terms of the Plan or trust agreement.
11. We have reviewed the reports of all transactions processed by third-party servicers and, based on our review, we believe the transactions shown in the reports are valid and in accordance with our instructions to the third-party processor. We also have had no communications from any of the Plan's service organizations regarding any fraud, noncompliance with laws and regulations, or uncorrected misstatements.
12. We have complied with the DOL's regulations concerning the timely remittance of participant contributions and loan repayments.
13. As applicable, we have complied with the DOL's regulations concerning the services provider fee disclosures in accordance with Section 408(b)(2).
14. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to investment values that could negatively impact the Plan. We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the Plan's financial statements. Further, the Plan sponsor is solely responsible for all aspects of managing the Plan, including questioning the quality and valuation of investments.

**Misappropriation, Misstatements, and Fraud**

15. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
  - a. Misappropriation of assets.
  - b. Misrepresented or misstated assets or liabilities.

Legility, LLC 401(k) Plan  
Page 4

16. We have no knowledge of fraud or suspected fraud affecting the Plan involving:
- a. Management or employees who have significant roles in internal control over financial reporting.
  - b. Others when the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from participants, former participants, regulators, third-party servicers, or others.
18. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

**Related Parties and Parties in Interest**

19. We have disclosed to you the identity of all of the Plan's related parties and parties in interest and all the related-party and party-in-interest relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including:

- a. Any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

20. We understand that the term related party refers to:
- a. Affiliates.
  - b. Entities for which investments are accounted for by the equity method.
  - c. Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
  - d. Principal owners and members of their immediate families.
  - e. Management and members of their immediate families.
  - f. Any other party with which the Plan may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the Plan.

### **Litigation, Laws, Rulings, and Regulations**

21. Neither the Plan nor the Plan sponsor are aware of any pending or threatened litigation or claims whose effects should be considered when preparing the financial statements. Neither the Plan nor the Plan sponsor have not sought or received attorney's services related to pending or threatened litigation or claims during or subsequent to the audit period. Also, we are not aware of any litigation or claims, pending or threatened, for which legal counsel should be sought.
22. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
23. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
24. We have apprised you of all communications, written or oral, with regulatory agencies concerning the operation of the Plan.

### **Nonattest Services**

25. You have provided nonattest services, including the following, during the period of this engagement:
  - a. Preparing a draft of the financial statements and related notes.
26. With respect to these services:
  - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
  - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
  - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
  - d. We have evaluated the adequacy of the services performed and any findings that resulted.
  - e. Established and maintained internal controls, including monitoring ongoing activities.
  - f. We have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

### **Financial Statements and Reports**

27. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

Legility, LLC 401(k) Plan  
Page 6

**Transactions, Records, and Adjustments**

- 28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 29. We have everything we need to keep our books and records.
- 30. We have disclosed any significant unusual transactions the Plan has entered into during the period, including, the nature, terms, and business purpose of those transactions.

**Accounting and Disclosure**

- 31. We are not aware of any side agreements or other arrangements (either written or oral) that are in place.
- 32. Except as reflected in the financial statements, there are no:
  - a. Plans or intentions that may materially affect carrying values of assets, liabilities, or net assets.
  - b. Material transactions omitted or improperly recorded in the financial records.
  - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure in accordance with Accounting Standards Codification *Topic 450, Contingencies*, including those arising from environmental remediation obligations.
  - d. Events occurring subsequent to the date of the statement of net assets available for benefits through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
  - e. Reportable transactions as defined in Section 103(b)(3)(H) of ERISA.
- 33. Except as disclosed in the financial statements, the Plan has:
  - a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
  - b. Complied with all aspects of contractual agreements, for which noncompliance would materially affect the financial statements.

LEGILITY, LLC 401(K) PLAN

DocuSigned by:  
*Donna Stewart*

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Donna Stewart  
Director of Human Resources

DocuSigned by:  
*Christi Peppers*

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Christi Peppers  
Human Resources

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# **Legility, LLC 401(k) Plan**

## **Independent Auditor's Report and Financial Statements**

EIN 45-416687 PN 001

December 22, 2022 and December 31, 2021

# Legility, LLC 401(k) Plan

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

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## Independent Auditor's Report

Plan Administrative Committee and Plan Management  
Legility, LLC 401(k) Plan  
Brentwood, Tennessee

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

We have performed audits of the financial statements of the Legility, LLC 401(k) Plan (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) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 22, 2022, and December 31, 2021, and the related statement of changes in net assets available for benefits for the period from January 1, 2022, through December 22, 2022 (in liquidation), and for the year then ended December 31, 2021 (in liquidation), and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's 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. As permitted by ERISA Section 103(a)(3)(C), our audits 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, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the period ended December 22, 2022, and for the year ended December 31, 2021, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

### ***Opinion***

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

- The amounts and disclosures in the accompanying 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.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 audits. 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.

### ***Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting***

As discussed in Note 6 to the financial statements, the board of directors of Legility, LLC, the Plan's sponsor, voted on December 13, 2021, to terminate the Plan, and management determined liquidation is imminent. In accordance with accounting principles generally accepted in the United States of America, the Plan presented the 2022 and 2021 financial statements under the liquidation basis of accounting. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 these financial statements are available to be issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, 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 Financial Statements***

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit* section of our report, our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 audits 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 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 accounting principles generally accepted in the United States of America.

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

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.

**FORVIS, LLP**

Nashville, Tennessee  
August 1, 2023

Federal Employer Identification Number: 44-0160260

**Legility, LLC 401(k) Plan**  
**Statements of Net Assets Available for Benefits**  
**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

**Assets**

	<b>2022</b> <b>(in Liquidation)</b>	<b>2021</b> <b>(in Liquidation)</b>
<b>Investments, At Fair Value</b>		
Money market fund	\$ -	\$ 808,078
Mutual funds	-	28,956,931
	-	28,956,931
Total investments, at fair value	-	29,765,009
<b>Accrued Net Investment Loss in Liquidation</b>	-	(2,083,665)
<b>Receivables</b>		
Employer contributions	-	92,984
Participant contributions	-	14,374
Notes receivable from participants	-	248,311
	-	355,669
Total receivables	-	355,669
Total assets	-	28,037,013

**Liabilities**

<b>Accrued Expenses Incurred in Liquidation, Net</b>	-	59,592
<b>Excess Contributions Payable</b>	-	8,143
	-	8,143
Total liabilities	-	67,735
<b>Net Assets Available For Benefits</b>	\$ -	\$ 27,969,278

**Legility, LLC 401(k) Plan**  
**Statements of Changes in Net Assets Available for Benefits**  
**Period Ended January 1, 2022, Through December 22, 2022 (in Liquidation) and**  
**Year Ended December 31 2021 (in Liquidation)**

	<u>2022</u> <u>(in Liquidation)</u>	<u>2021</u> <u>(in Liquidation)</u>
<b>Investment Income</b>		
Net appreciation (depreciation) in fair value of investments	\$ (63,151)	\$ 2,891,523
Interest and dividends	<u>94,779</u>	<u>925,517</u>
Net investment income	<u>31,628</u>	<u>3,817,040</u>
<b>Interest Income on Notes Receivable from Participants</b>	<u>1,202</u>	<u>6,929</u>
<b>Contributions</b>		
Employer	-	645,095
Participants	(60,629)	3,835,028
Rollovers	<u>-</u>	<u>229,625</u>
	<u>(60,629)</u>	<u>4,709,748</u>
Total additions	<u>(27,799)</u>	<u>8,533,717</u>
<b>Deductions</b>		
Benefits paid to participants	27,941,479	1,927,378
Administrative expenses	<u>-</u>	<u>131,063</u>
Total deductions	<u>27,941,479</u>	<u>2,058,441</u>
<b>Net Increase</b>	<u>(27,969,278)</u>	<u>6,475,276</u>
<b>Adjustments to Liquidation Basis</b>	-	(2,143,257)
<b>Net Assets Available for Benefits, Beginning of Year</b>	<u>27,969,278</u>	<u>23,637,259</u>
<b>Net Assets Available for Benefits, End of Year</b>	<u>\$ -</u>	<u>\$ 27,969,278</u>

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

### Note 1: Description of the Legility, LLC 401(k) Plan

The following description of the Legility, LLC 401(k) Plan (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 was a defined contribution Plan sponsored by Legility, LLC (Company) (formerly COC Holdco, LLC) for the benefit of its employees who are age 21 years or older and have one month of service. The Plan was subject to the provisions of the *Employee Retirement Income Security Act of 1974* (ERISA). Fidelity Management Trust Company (Fidelity) was the trustee of the Plan.

#### **Contributions**

The Plan permitted eligible employees through a salary deferral election to have the Company make annual contributions of up to 90% of their eligible compensation. Employee rollover contributions were also permitted. Participants who attained age 50 before the end of the Plan year were eligible to make catch-up contributions. The Company's profit-sharing contributions were discretionary as determined by the Company's board of directors. Contributions were subject to certain limitations.

#### **Participant Investment Account Options**

Each eligible participant had the option of directing his or her contributions into any of the various investment options offered by the Plan and could change the allocation daily.

#### **Participant Accounts**

Each participant's account was credited with the participant's contribution, the Company's contributions, and Plan earnings, and was charged with an allocation of administrative expenses. Allocations were based on participant earnings or account balances, as defined. The benefit to which a participant was entitled was the benefit that could be provided from the participant's vested account.

#### **Vesting**

Participants were immediately vested in their voluntary contributions, plus earnings thereon. Vesting in the Company's contribution portion of their accounts, plus earnings thereon, was based on years of continuous service. A participant was fully vested after six years of continuous service.

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

### ***Notes Receivable from Participants***

Participants could 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 account balance. The loans were secured by the balance in the participant's account. The loan interest rate, determined quarterly, was set at 1% above the prime rate, as defined. Principal and interest was paid ratably through monthly payroll deductions.

### ***Payment of Benefits***

Upon termination of service due to death, disability, or retirement, a participant could elect to receive an amount equal to the value of the vested interest in his or her account based on a schedule elected by the participant or participant's beneficiary. Upon termination of service for other reasons, a participant could receive the value of the vested interest in their account only as a lump-sum distribution.

### ***Forfeited Accounts***

At December 22, 2022, and December 31, 2021, forfeited nonvested accounts totaled \$0 and \$60,459, respectively. These accounts could be used to reduce future employer contributions. During the period ended December 22, 2022, and for the year ended December 31, 2021, employer contributions were reduced by \$59,639 and \$32,021, respectively, from forfeited nonvested accounts.

## **Note 2: Summary of Significant Accounting Policies**

### ***Basis of Accounting***

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

As discussed in Note 6 to the financial statements, the board of directors resolved to terminate the Plan effective December 13, 2021, and management determined liquidation is imminent. As a result, the Plan presented the 2022 and 2021 financial statements under the liquidation basis of accounting.

### ***Use of Estimates***

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

### ***Investment Valuation and Income Recognition***

Investments are reported at fair value. Quoted market prices, if available, are used to value investments. Mutual funds are valued at the quoted market prices of shares held by the Plan at year-end.

# **Legility, LLC 401(k) Plan**

## **Notes to Financial Statements**

**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

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 in the fair value of investments includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

### ***Notes Receivable from Participants***

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued but unpaid interest. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

### ***Excess Contributions Payable***

Amounts payable to participants for contributions in excess of amounts allowed by the IRS are recorded as a liability with a corresponding reduction to contributions. The Plan distributed the 2021 excess contributions to the applicable participants before March 15, 2022.

### ***Payment of Benefits***

Benefit payments to participants are recorded upon distribution.

### ***Administrative Expenses***

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

## **Note 3: Certification of Plan Trustee**

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 DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Fidelity, a qualified institution and the trustee of the Plan, has certified the following information included in the accompanying financial statements is complete and accurate:

- Investments, if any, as shown in the statements of net assets available for benefits as of December 22, 2022, and December 31, 2021.
- Investment income as shown in the statements of changes in net assets available for benefits for the period ended December 22, 2022, and for the year then ended December 31, 2021.

The Plan's independent auditors did not perform auditing procedures with respect to this certified investment information, except for comparing such information to the related information included in the financial statements.

**Legility, LLC 401(k) Plan**  
**Notes to Financial Statements**  
**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

**Note 4: Related-Party and Party-in-Interest Transactions**

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees were covered by the Plan, an employee organization whose members were covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

Certain Plan investments were shares of mutual funds managed by Fidelity. Fidelity was the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred by the Plan for the investment management services are included in net appreciation in fair value of the investment, as they are paid through revenue sharing, rather than a direct payment. The Plan directly paid any other fees related to the Plan's operations.

The Plan paid \$32,092 and \$80,383 of recordkeeping fees to Fidelity during the period ended December 22, 2022, and for the year ended December 31, 2021, respectively. The Company provided certain administrative services at no cost to the Plan. The Plan also paid \$27,500 and \$50,679 of advisory fees to a financial advisor for period ended December 22, 2022, and for the year then ended December 31, 2021, respectively.

**Note 5: Disclosures About Fair Value of Plan Assets and Liabilities**

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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The hierarchy comprises three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

***Recurring Measurements***

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

December 31, 2021 (note there were no assets held by the Plan as of December 22, 2022, since all assets were distributed from the Plan to Plan participants prior to that date):

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2021 (in Liquidation)</b>				
Money market funds	\$ 808,078	\$ 808,078	\$ -	\$ -
Mutual funds	28,956,931	28,956,931	-	-
Investments at fair value	<u>\$ 29,765,009</u>	<u>\$ 29,765,009</u>	<u>\$ -</u>	<u>\$ -</u>

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets, pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the period ended December 22, 2022, and for the year ended December 31, 2021. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

### Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. For the Plan period ended December 22, 2022, and for the year ended December 31, 2021, all investments were considered to be Level 1 securities.

### Note 6: Plan Termination

On December 13, 2021, the Plan sponsor's board of directors resolved to terminate the Plan, with such termination effective December 13, 2021. All participants became 100% vested in their benefits at this time. The Plan was subsequently fully liquidated as of September 1, 2022 and terminated on December 22, 2022. Due to the liquidation basis being used in presenting the 2021 financial statements, an accrued net investment loss of \$2,083,665 was recorded. Additionally, the Plan recorded \$59,592 of expenses incurred in liquidation in the 2021 financial statements. No liquidation adjustments were recorded in the 2022 financial statements.

# Legility, LLC 401(k) Plan

## Notes to Financial Statements

December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)

### Note 7: Tax Status

The Plan operated under an adoption agreement in connection with a volume submitter defined contribution Plan document sponsored by Fidelity Management and Research Company. The volume submitter Plan document has been filed with the appropriate agency. The Plan has not obtained a determination letter. However, the Plan administrator believes that the Plan was designed and operated in compliance with the applicable requirements of the Internal Revenue Code and that the Plan was qualified, and the related trust was tax exempt as of the financial statement date.

### Note 8: Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at December 22, 2022, and December 31, 2021:

	<b>2022</b> <b>(in Liquidation)</b>	<b>2021</b> <b>(in Liquidation)</b>
Net assets available for benefits per the financial statements	\$ -	\$ 27,969,278
Accrued net investment loss in liquidation	-	2,083,665
Participant contributions receivable	-	(14,374)
Employer contributions receivable	-	(92,984)
Excess contributions payable	-	8,143
Accrued expenses incurred in liquidation, net	-	59,592
	<u>-\$ -</u>	<u>\$ 30,013,320</u>
Net assets available for benefits per Form 5500	<u>\$ -</u>	<u>\$ 30,013,320</u>

The following is a reconciliation of the change in net assets available for benefits per the financial statements for the period ended December 22, 2022, and for the year ended December 31, 2021:

	<b>2022</b> <b>(in Liquidation)</b>	<b>2021</b> <b>(in Liquidation)</b>
Net change in net assets available for benefits per the statements	\$ (27,969,278)	\$ 6,475,276
Change in participant contributions receivable	14,374	86,531
Change in employer contribution receivable	92,984	(44,570)
Change in excess contributions payable	(8,143)	(54,091)
Change in accrued net investment loss in liquidation	(2,083,665)	-
Change in accrued expenses incurred in liquidation	(59,592)	-
	<u>\$(27,969,278)</u>	<u>\$ 6,475,276</u>
Change in net assets available for benefits per Form 5500	<u>\$ (30,013,320)</u>	<u>\$ 6,463,146</u>

# **Legility, LLC 401(k) Plan**

## **Notes to Financial Statements**

**December 22, 2022 (in Liquidation) and December 31, 2021 (in Liquidation)**

### **Note 9: Risks and Uncertainties**

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

### **Note 10: Subsequent Events**

Subsequent events have been evaluated through August 1, 2023, which is the date the financial statements were available to be issued.