# 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 12/31/2022

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [X] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

**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

**1a** Name of plan
MORPHE, LLC 401(K) PLAN

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

**1c** Effective date of plan 01/01/2015

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
MORPHE, LLC

10303 NORRIS AVENUE
PACOIMA, CA 91331

**2b** Employer Identification Number (EIN)
81-4828460

**2c** Plan Sponsor's telephone number
628-207-2518

**2d** Business code (see instructions)
446120

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

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

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 03/23/2024 | JAMES P CARROLL |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 742 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 663 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 595 |
| **b** Retired or separated participants receiving benefits | **6b** | 66 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 116 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 777 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 0 |
| **f** Total. Add lines **6d** and **6e** | **6f** | 777 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 362 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 381 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

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

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

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

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

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

**b General Schedules**

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

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

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

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

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

**11c** Enter the Receipt Confirmation Code for the 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_____

# SCHEDULE A (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Insurance Information

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

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

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

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
MORPHE, LLC 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
MORPHE, LLC

**D** Employer Identification Number (EIN)
81-4828460

## Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions

Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier
EMPOWER ANNUITY INSURANCE COMPANY OF AMERICA

| (b) EIN | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year | |
|---|---|---|---|---|---|
| | | | | (f) From | (g) To |
| 84-0467907 | 68322 | 1260626-01 | 68 | 01/01/2022 | 12/31/2022 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Part II Investment and Annuity Contract Information

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

| | | | |
|---|---|---|---|
| 4 | Current value of plan's interest under this contract in the general account at year end | 4 | 207222 |
| 5 | Current value of plan's interest under this contract in separate accounts at year end | 5 | 0 |

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

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

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity (3) ☐ other (specify) ▶

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

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

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee (3) ☐ guaranteed investment (4) ☒ other ▶ GROUP ANNUITY CONTRACT

| | | | | | |
|---|---|---|---|---|---|
| b | Balance at the end of the previous year | | | 7b | 260559 |
| c | Additions: (1) Contributions deposited during the year | 7c(1) | 59404 | | |
| | (2) Dividends and credits | 7c(2) | 1165 | | |
| | (3) Interest credited during the year | 7c(3) | 2128 | | |
| | (4) Transferred from separate account | 7c(4) | 37017 | | |
| | (5) Other (specify below) | 7c(5) | 1162 | | |
| | ▶ LOAN PAYMENTS | | | | |
| | (6) Total additions | | | 7c(6) | 100876 |
| d | Total of balance and additions (add lines **7b** and **7c(6)**) | | | 7d | 361435 |
| e | Deductions: | | | | |
| | (1) Disbursed from fund to pay benefits or purchase annuities during year | 7e(1) | 55009 | | |
| | (2) Administration charge made by carrier | 7e(2) | 0 | | |
| | (3) Transferred to separate account | 7e(3) | 99204 | | |
| | (4) Other (specify below) | 7e(4) | | | |
| | ▶ | | | | |
| | (5) Total deductions | | | 7e(5) | 154213 |
| f | Balance at the end of the current year (subtract line **7e(5)** from line **7d**) | | | 7f | 207222 |

## Part III Welfare Benefit Contract Information

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

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

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

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

Specify nature of costs.

## Part IV Provision of Information

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

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

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2022**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

| **A** Name of plan | **B** Three-digit plan number (PN) ▶ |
|---|---|
| MORPHE, LLC 401(K) PLAN | 001 |
| **C** Plan sponsor's name as shown on line 2a of Form 5500 | **D** Employer Identification Number (EIN) |
| MORPHE, LLC | 81-4828460 |

## Part I Service Provider Information (see instructions)

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

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

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

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

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

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

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

EMPOWER ANNUITY INSURANCE COMPANY O

8515 EAST ORCHARD ROAD
GREENWOOD VILLAGE, CO 80111

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 64 | RECORDKEEPER | 53983 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [X] No [ ] |

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

SAGEVIEW ADVISORY GROUP, LLC

1920 MAIN ST
STE 800
IRVINE, CA 92614

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 | INVESTMENT ADVISOR | 14162 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

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

SAGEVIEW ADVISORY GROUP, LLC

1920 MAIN STREET
SUITE 800
IRVINE, CA 92614

| (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? |
|---|---|---|---|---|---|---|
| 28 | INVESTMENT MGMT | 5647 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

## Part I Service Provider Information (continued)

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

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

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

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

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

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

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

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

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

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

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

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

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2022**

**This Form is Open to Public Inspection**

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
MORPHE, LLC 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
MORPHE, LLC

**D** Employer Identification Number (EIN)
81-4828460

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | 0 | 0 |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 0 |
| **(2)** Participant contributions | 1b(2) | 0 | 0 |
| **(3)** Other | 1b(3) | 0 | 0 |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | 0 | 0 |
| **(2)** U.S. Government securities | 1c(2) | 0 | 0 |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | 0 | 0 |
| **(B)** All other | 1c(3)(B) | 0 | 0 |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | 0 | 0 |
| **(B)** Common | 1c(4)(B) | 0 | 0 |
| **(5)** Partnership/joint venture interests | 1c(5) | 0 | 0 |
| **(6)** Real estate (other than employer real property) | 1c(6) | 0 | 0 |
| **(7)** Loans (other than to participants) | 1c(7) | 0 | 0 |
| **(8)** Participant loans | 1c(8) | 233365 | 166609 |
| **(9)** Value of interest in common/collective trusts | 1c(9) | 0 | 0 |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 0 | 0 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | 0 | 0 |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | 9072337 | 8372217 |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | 260559 | 207222 |
| **(15)** Other | 1c(15) | 0 | 0 |

| | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **1d** Employer-related investments: | | | |
| **(1)** Employer securities | 1d(1) | 0 | 0 |
| **(2)** Employer real property | 1d(2) | 0 | 0 |
| **e** Buildings and other property used in plan operation | 1e | 0 | 0 |
| **f** Total assets (add all amounts in lines 1a through 1e) | 1f | 9566261 | 8746048 |
| **Liabilities** | | | |
| **g** Benefit claims payable | 1g | 0 | 0 |
| **h** Operating payables | 1h | | |
| **i** Acquisition indebtedness | 1i | 0 | 0 |
| **j** Other liabilities | 1j | 0 | 0 |
| **k** Total liabilities (add all amounts in lines 1g through1j) | 1k | 0 | 0 |
| **Net Assets** | | | |
| **l** Net assets (subtract line 1k from line 1f) | 1l | 9566261 | 8746048 |

## Part II Income and Expense Statement

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

| Income | | (a) Amount | (b) Total |
|---|---|---|---|
| **a Contributions:** | | | |
| **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 774208 | |
| **(B)** Participants | 2a(1)(B) | 1557010 | |
| **(C)** Others (including rollovers) | 2a(1)(C) | 472212 | |
| **(2)** Noncash contributions | 2a(2) | 0 | |
| **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 2803430 |
| **b Earnings on investments:** | | | |
| **(1)** Interest: | | | |
| **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | 0 | |
| **(B)** U.S. Government securities | 2b(1)(B) | 0 | |
| **(C)** Corporate debt instruments | 2b(1)(C) | 0 | |
| **(D)** Loans (other than to participants) | 2b(1)(D) | 0 | |
| **(E)** Participant loans | 2b(1)(E) | 10456 | |
| **(F)** Other | 2b(1)(F) | 2128 | |
| **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 12584 |
| **(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) | 414174 | |
| **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 414174 |
| **(3)** Rents | 2b(3) | | 0 |
| **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | 0 | |
| **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | 0 | |
| **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | 0 | |
| **(B)** Other | 2b(5)(B) | 0 | |
| **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | 0 |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | 0 |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 0 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | 0 |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | -2036610 |
| c Other income | 2c | | 8 |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 1193586 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1931613 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | 0 | |
| (3) Other | 2e(3) | 0 | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1931613 |
| f Corrective distributions (see instructions) | 2f | | 0 |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | 8394 |
| h Interest expense | 2h | | 0 |
| i Administrative expenses: (1) Professional fees | 2i(1) | 0 | |
| (2) Contract administrator fees | 2i(2) | 53983 | |
| (3) Investment advisory and management fees | 2i(3) | 19809 | |
| (4) Other | 2i(4) | 0 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 73792 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 2013799 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | -820213 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

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

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

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

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

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

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

**(1)** Name: MOSS ADAMS, LLP **(2)** EIN: 91-0189318

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

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

## Part IV Compliance Questions

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

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |

| | | Yes | No | Amount |
|---|---|---|---|---|
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | **4b** | | X | |
| **c** Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | **4c** | | X | |
| **d** Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | **4d** | | X | |
| **e** Was this plan covered by a fidelity bond? | **4e** | | X | |
| **f** Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | **4f** | | X | |
| **g** Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4g** | | X | |
| **h** Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | **4h** | | X | |
| **i** Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | **4i** | X | | |
| **j** Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.) | **4j** | | X | |
| **k** Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | **4k** | | X | |
| **l** Has the plan failed to provide any benefit when due under the plan? | **4l** | | X | |
| **m** If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | **4m** | | X | |
| **n** If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | **4n** | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ..... [X] 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 _____.

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

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

OMB No. 1210-0110

**2022**

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

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022

**A** Name of plan
MORPHE, LLC 401(K) PLAN

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

**C** Plan sponsor's name as shown on line 2a of Form 5500
MORPHE, LLC

**D** Employer Identification Number (EIN)
81-4828460

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 84-1455663

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3**

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that (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:

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

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

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

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

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

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

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

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

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

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation_____

# MORPHE, LLC 401(k) PLAN

# FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

# DECEMBER 31, 2022 AND 2021

# MORPHE, LLC 401(k) PLAN
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## DECEMBER 31, 2022 AND 2021


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***Independent Auditor's Report***

To the Plan Administrator
Morphe, LLC 401(k) Plan

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

We have performed an audit of the accompanying financial statements of Morphe, 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 31, 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of Morphe, LLC 401(k) 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 audit need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified 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 Empower Annuity Insurance Company of America and Empower Trust Company, LLC, qualified institutions, as of and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

***Opinion***

In our opinion, based on our audit 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 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.



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- The information in the financial statements referred to above related to assets held and certified 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Morphe, LLC 401(k) Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

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

Management is responsible for the preparation and fair presentation of these 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 Morphe, LLC 401(k) Plan's ability to continue as a going concern for one year after the date the 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 Morphe, LLC 401(k) 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morphe, LLC 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 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.

To the Plan Administrator
Morphe, LLC 401(k) Plan

***Supplemental Schedules Required by ERISA***

The supplemental schedule of assets (held at end of year) and schedule of delinquent participant contributions as of and for the year ended December 31, 2022, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion -

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

- The information in the supplemental schedule related to assets held and certified 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).

***Auditor's Report on the 2021 Financial Statements***

The 2021 financial statements of Morphe, LLC 401(k) Plan were audited by predecessor auditors. Management, having determined it permissible in the circumstances, had elected to have the audit of the 2021 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. Their report dated October 7, 2022, indicated that (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related

To the Plan Administrator
Morphe, LLC 401(k) Plan

to assets held and certified 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).

Their report also indicated that the form and content of the 2021 supplemental schedules, other than the information in the 2021 supplemental schedules that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedules related to assets held and certified 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).

Belfint, Lyons & Shuman, P.A.

March 19, 2024
Wilmington, Delaware

# MORPHE, LLC 401(k) PLAN
## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
## DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|---|---|---|
| Investments, at Fair Value | $ 8,372,217 | $ 9,072,337 |
| Investments, at Contract Value | 207,222 | 260,559 |
| Total Investments | 8,579,439 | 9,332,896 |
| Receivables | | |
| Notes Receivable from Participants | 166,609 | 233,365 |
| **TOTAL ASSETS** | 8,746,048 | 18,899,157 |
| **LIABILITIES** | | |
| Corrective Distributions Payable | 16,599 | - |
| **NET ASSETS AVAILABLE FOR BENEFITS** | $ 8,729,449 | $ 18,899,157 |

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

# MORPHE, LLC 401(k) PLAN
## STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
## YEAR ENDED DECEMBER 31, 2022

| | |
|---|---|
| **ADDITIONS** | |
| Investment Income (Loss) | |
| Net Depreciation in Investments at Fair Value | $ (2,036,602) |
| Interests | 2,128 |
| Dividends | 414,174 |
| Net Investment Loss | (1,620,300) |
| Interest on Participant Loans | 10,456 |
| Contributions | |
| Participants | 1,557,010 |
| Rollover | 472,212 |
| Employer | 774,208 |
| Total Contributions | 2,803,430 |
| **TOTAL ADDITIONS** | 1,193,586 |
| **DEDUCTIONS** | |
| Benefits Paid to Participants | 1,931,613 |
| Corrective Distributions | 16,599 |
| Deemed Distributions | 8,394 |
| Administrative Expenses | 73,792 |
| **TOTAL DEDUCTIONS** | 2,030,398 |
| **NET CHANGE** | (836,812) |
| **NET ASSETS AVAILABLE FOR BENEFITS** - Beginning of Year | 9,566,261 |
| **NET ASSETS AVAILABLE FOR BENEFITS** - End of Year | $ 8,729,449 |

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

# MORPHE, LLC 401(k) PLAN
## NOTES TO FINANCIAL STATEMENTS
## DECEMBER 31, 2022

### NOTE 1: DESCRIPTION OF PLAN

The following description of the Morphe, LLC 401(k) Plan (Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

***General*** - The Plan is a defined contribution plan established January 1, 2015, and most recently restated January 15, 2021, to provide eligible employees of Morphe, LLC (Company) the opportunity to accumulate savings that provide benefits in the event of retirement, disability, or death. The Plan is structured to comply with the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The trustee is responsible for oversight of the Plan.

***Eligibility*** - All employees, except for reclassified employees, leased employees, non-resident aliens, and part-time, temporary and seasonal employees, become eligible to participate in the Plan after completing three months of service. Employees can enter the Plan on the first day of the month after attaining the eligibility requirements.

***Contributions*** - Each year, participants are eligible to contribute up to 90% of pre-tax annual compensation, as defined in the Plan. The Plan also allows participants to contribute to the Plan on an after-tax basis in the form of a Roth contribution. Participants who have attained age 50 before the end of a plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). The Company contributes an enhanced safe harbor matching contribution, equal to 100% of each participant's elective deferrals up to the first 4% of compensation deferred by participants. Additionally, the Company may contribute, at its discretion, a nonelective contribution to the Plan. There were no nonelective contributions for the years ended December 31, 2022 and 2021. Contributions are subject to limitations to comply with the nondiscrimination requirements of the Internal Revenue Code (IRC).

***Participant Accounts*** - Each participant's account is credited with the participant's contributions and Company matching contributions, as well as an allocation of the Company's profit-sharing contributions, if any, and plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Certain administrative expenses are netted against the earnings of the investment alternatives held by the participants. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

***Vesting*** - Participants are immediately vested in their contributions and actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant is 20% vested after two years of services. The vesting percentage is increased 20% each year until the participant becomes fully vested after six years of service.

**NOTE 1: DESCRIPTION OF PLAN - CONTINUED**

***Notes Receivable from Participants*** - Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum of $50,000 or 50% of their account balance reduced by the participant's highest outstanding loan balance in the previous 12 months or any existing loan balances on the date a new loan is made, whichever is greater. A participant may request an additional loan amount by refinancing and replacing the existing loan with a new loan. The refinanced loan term cannot exceed the shortest term of all replaced loans and cannot be refinanced if the term of replacement loan is less than the minimum term for a new loan allowed. Only one outstanding loan is permitted at any one time. The loans are secured by the balance in the participant's account and bear interest at a rate based on the prime rate published by the Wall Street Journal on the first business day of the month the loan is originated plus 2%. Participant loans must be repaid within five years unless the loan is for a primary residence, in which case the loan may be repaid within 30 years of the original date of the loan. Loans are to be repaid based on substantially level amortization over the term of the loan with payments made through salary reduction every pay period. If a participant terminates employment before repaying the loan in full, such participant may make a lump-sum repayment to avoid default status.

***Payment of Benefits*** - Upon retirement (normal age 65), death, disability, or termination of service, a participant may elect to receive a lump-sum amount equal to the value of the vested interest in his or her account, installment payments or partial distribution. The account balance may be paid in a direct rollover to an individual retirement account or another eligible retirement plan or paid directly to the participant. After separation of service, a participant may delay withdrawal until a future date, but the third-party administrator will automatically distribute balances of terminated participants that do not exceed $5,000. If the terminated participant's account balance is greater than $1,000 but not exceeding $5,000 and the participant does not make an affirmative election to request a distribution, the distribution will be paid in a direct rollover to an individual retirement account designated by the plan administrator. If a participant has an account balance of $1,000 or less and the participant does not make an affirmative election to request a distribution, the vested account balance will automatically be paid in a lump-sum distribution. A participant who has reached age 59½ may elect to withdraw all or a portion of their entire account while still employed.

As required under Section 401(a)(9) of the IRC, a participant must begin receiving required minimum distributions from the Plan by April 1 of the calendar year following the later of (i) the calendar year following the year in which the participant reaches age 72, or (ii) the calendar year in which the participant retires.

***Hardship Withdrawals*** - Participants may withdraw their elective deferral and any nonelective contributions (not less than $500) in the form of a hardship withdrawal to satisfy an immediate and heavy financial need as defined by the Plan.

***Forfeitures*** - As of December 31, 2022 and 2021, forfeited nonvested accounts totaled $36,561 and $34,341, respectively. These accounts will be used to pay administrative expenses or to reduce future employer contributions.

## NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

***Investment Valuation and Income Recognition*** - Investments are reported at fair value, except for fully benefit-responsive investment contracts, which are reported at contract value. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. The Plan's investment committee determines the Plan's valuation policies utilizing information provided by the investment advisors and the custodian. See Note 3 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is accrued when earned. Net appreciation/depreciation includes the Plan's gains and losses in 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. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred.

***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 corrective distribution deduction. The plan distributed the 2022 excess contributions to the applicable participants prior to March 15, 2023.

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

***Administrative Expenses*** - Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from the financial statements. Costs associated with participant-initiated transactions are paid by the respective participants' accounts. Investment related expenses are included in net appreciation/depreciation of fair value of investments.

***Subsequent Events*** - The Plan's policy is to evaluate events and transactions subsequent to its year end for potential recognition in the financial statements or disclosure in the notes to the financial statements. The Company has evaluated events and transactions through the date of the independent auditor's report, which is the date the financial statements were available to be issued.

## NOTE 3: FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of fair value hierarchy under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, are described as follows:

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

***Level 2*** - Inputs to the valuation methodology include:

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

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

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

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

Following is a description of the valuation methodology used for assets measured at fair value. There has been no change in the methodology used as of December 31, 2022 and 2021.

***Registered Investment Companies (Mutual Funds)*** - Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

**NOTE 3: FAIR VALUE MEASUREMENTS - CONTINUED**

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

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

| | 2022 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Registered Investment Companies | $ 8,372,217 | $ - | $ - | $ 8,372,217 |
| Total Investments, at Fair Value | $ 8,372,217 | $ - | $ - | $ 8,372,217 |

| | 2021 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| Registered Investment Companies | $ 9,072,337 | $ - | $ - | $ 9,072,337 |
| Total Investments, at Fair Value | $ 9,072,337 | $ - | $ - | $ 9,072,337 |

**NOTE 4: FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS**

The Plan invests in the Empower Key Guaranteed Portfolio which is a fully benefit-responsive guaranteed investment contract (GIC). This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value represents contributions made under each contract, plus earnings, less participant withdrawals, and administrative expenses.

The contract value of the investment contract, as of December 31, 2022 and 2021, was $207,222 and $260,559, respectively. The traditional investment contract held by the Plan is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established in a contract between the Plan and the contract issuer, which will not fall below 0%. The crediting rate is reviewed on a quarterly basis for resetting. The contract cannot be terminated before the scheduled maturity date.

**NOTE 4: FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS - CONTINUED**

The Plan's ability to receive amounts due in accordance with fully benefit-responsive investment contracts is dependent on the third-party issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the contract issuer. These events may be different under each contract. Examples of such events include the following:

1. The Plan's failure to qualify under Section 401(a) of the Internal Revenue Code or the failure of the trust to be tax-exempt under Section 501(a) of the Internal Revenue Code.
2. Premature termination of the contracts.
3. Plan termination or merger.
4. Changes to the Plan's prohibition on competing investment options.
5. Bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that significantly affect the Plan's normal operations.

No events are probable that might limit the ability of the Plan to transact at contract value with the contract issuers and that also would limit the ability of the Plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contracts with the Plan and settle at an amount different from contract value. Those events may be different under each contract. Examples of such events include the following:

1. An uncured violation of the Plan's investment guidelines.
2. A breach of material obligation under the contract.
3. A material misrepresentation.
4. A material amendment to the agreements without the consent of the issuer.

## NOTE 5: INFORMATION CERTIFIED BY TRUSTEE

The Plan's investments as of December 31, 2022 and 2021, were held by Empower Trust Company, LLC and Empower Annuity Insurance Company of America, the trustee and custodian. The plan administrator elected the method of annual reporting compliance permitted by the Department of Labor's (DOL) Regulation Section 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). Accordingly, the trustee has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

| | 2022 | 2021 |
|---|---|---|
| Investments, at Fair Value | | |
| Registered Investment Companies | $ 8,372,217 | $ 9,072,337 |
| Investments, at Contract Value | | |
| Guaranteed Investment Contract | 207,222 | 260,559 |
| Total | $ 8,579,439 | $ 9,332,896 |

| | Year Ended December 31, 2022 |
|---|---|
| Investment Income (Loss) | |
| Net Depreciation in Fair Value of Investments | $ (2,036,602) |
| Dividends | 414,174 |
| Interests | 2,128 |
| Net Investment Loss | $ (1,620,300) |
| Interest on Participant Loans | $ 10,456 |

## NOTE 6: RELATED-PARTY AND PARTY IN INTEREST TRANSACTIONS

The Plan has not considered normal plan operations such as participant and employer contributions or benefits accrued or paid by the Plan for participants as party-in-interest transactions that require separate disclosure. Some administrative expenses of the Plan are paid from the annual operating expenses of the Plan's designated investment alternatives. Distribution fees and participant loan fees are paid out of the relevant participants' accounts. These transactions qualify as party-in-interest transactions that are exempt from the prohibited transaction rules. The plan sponsor pays directly any other fees related to the Plan's operations.

## NOTE 7: PLAN TERMINATION

On January 12, 2023, the Company's parent company filed for bankruptcy. As a result of the bankruptcy proceeding, the plan was terminated effective March 24, 2023. At the time of termination, all contributions were discontinued, and all participants became 100% vested in their account balances.

## NOTE 8: TAX STATUS

The underlying prototype non-standardized profit-sharing plan with Cash or Deferred Arrangement (CODA) has received an opinion letter from the Internal Revenue Service (IRS) dated November 14, 2022, stating that the form of the Plan is qualified under Section 401 of the IRC and, therefore, the related trust is tax exempt. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified, and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the IRS or DOL. The Company has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2022 and 2021, there were no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's federal Form 5500 is subject to examination by the IRS and DOL, generally for the three years after it is filed.

## NOTE 9: RISKS AND UNCERTAINTIES

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

## NOTE 10: COMMITMENTS AND CONTINGENCIES

In the normal course of business, there may be various commitments and contingencies outstanding which are not reflected in these financial statements. In the opinion of the plan administrator, the outcome of such events, if any, would not have a material effect on the Plan's financial position or operations.

## NOTE 11: SUBSEQUENT EVENTS

The Plan was terminated effective March 23, 2023. All plan operations were discontinued, participants became 100% vested, and account distributions commenced.

## NOTE 12: PARTICIPANT CONTRIBUTIONS TRANSFERRED LATE TO THE PLAN

As required by ERISA Section 2510.3-102, the Plan sponsor is required to segregate employee contributions to the Plan from its general assets as soon as practicable. Due to various issues relating to improper training and knowledge of those responsible for remittance, numerous contributions were not remitted timely. Total contributions for the affected pay periods were $199,553, all of which represented employee salary deferrals. These contributions are considered prohibited transactions.

During the year, corrective contributions representing earnings related to Plan Years ending in 2019 and 2021 in the amount of $368 and $650, respectively, were deposited into the Plan and were reported on forms 5330 for each of the years noted.

Subsequent to the current year end, corrective contributions representing earnings related to Plan Years 2020 and 2022 in the amount of $2,341 and $3,426, respectively, were deposited into the Plan and were reported on forms 5330 for each of the years noted.

## NOTE 13: RECONCILIATION OF FINANCIAL STATEMENTS TO 5500

The following is a reconciliation of net assets available for benefits, per the financial statements, as of December 31, 2022 and 2021:

| | 2022 | 2021 |
|---|---|---|
| Net Assets Available for Benefits per the Financial Statements | $ 8,729,449 | $ 18,899,157 |
| Corrective Distribution Payable | 16,599 | - |
| Net Assets Available for Benefits per the Form 5500 | $ 8,746,048 | $ 18,899,157 |

**NOTE 13: RECONCILIATION OF FINANCIAL STATEMENTS TO 5500 - CONTINUED**

The following is a reconciliation of income, per the financial statements, for the year ended December 31, 2022, to the Form 5500.

| | | |
|---|---|---|
| Change in Net Assets Available for Benefits per the Financial Statements | $ | (836,812) |
| Add: Corrective Distributions | | 16,599 |
| Net Loss per the Form 5500 | $ | (820,213) |

**ADDITIONAL INFORMATION**

# MORPHE, LLC 401(k) PLAN

**EIN: 81-4828460, PLAN #001**
**ATTACHMENT TO FORM 5500, SCHEDULE H, LINE 4(i)**
**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**
**DECEMBER 31, 2022**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Desciption of Investment (Rate of Interest) | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | American Century Mid-Cap Value | Registered Investment Company | $ - | $ 106,287 |
| | American Century Sustainable Equity | Registered Investment Company | - | 107,375 |
| | American Funds 2020 Target Date Retirement | Registered Investment Company | - | 70,772 |
| | American Funds 2025 Target Date Retirement | Registered Investment Company | - | 48,119 |
| | American Funds 2030 Target Date Retirement | Registered Investment Company | - | 80,811 |
| | American Funds 2035 Target Date Retirement | Registered Investment Company | - | 84,806 |
| | American Funds 2040 Target Date Retirement | Registered Investment Company | - | 869,844 |
| | American Funds 2045 Target Date Retirement | Registered Investment Company | - | 1,011,052 |
| | American Funds 2050 Target Date Retirement | Registered Investment Company | - | 1,753,482 |
| | American Funds 2055 Target Date Retirement | Registered Investment Company | - | 550,774 |
| | American Funds 2060 Target Date Retirement | Registered Investment Company | - | 288,112 |
| | American Funds EuroPacific Growth | Registered Investment Company | - | 251,429 |
| | American Funds Growth Fund of American | Registered Investment Company | - | 234,209 |
| | American Funds New World | Registered Investment Company | - | 223,428 |
| | Fidelity 500 Index | Registered Investment Company | - | 906,976 |
| | Fidelity International Index | Registered Investment Company | - | 326,913 |
| | Fidelity Mid-Cap Index | Registered Investment Company | - | 258,254 |
| | Fidelity Small-Cap Index | Registered Investment Company | - | 141,080 |
| | Fidelity US Bond Index | Registered Investment Company | - | 151,366 |
| | JP Morgan Mid-Cap Growth | Registered Investment Company | - | 145,895 |
| | Loomis Sayles Small-Cap Growth | Registered Investment Company | - | 64,423 |
| | MFS Value | Registered Investment Company | - | 348,150 |
| | PGIM Global Total Return | Registered Investment Company | - | 41,675 |
| | PGIM Total Return Bond | Registered Investment Company | - | 235,071 |
| | Royce Small-Cap Opportunity | Registered Investment Company | - | 71,914 |
| | | Total Investments, at Fair Value | - | 8,372,217 |
| * | Empower Key Guaranteed Portfolio | Guaranteed Investment Contract | - | 207,222 |
| | | Total Investments | $ - | $ 8,579,439 |
| * | Participant Loans | Interest Rate 5.25% - 9.00%; Various Maturities through 2027 | $ - | $ 166,609 |

*Indicates a party-in-interest to the Plan.

(d) Note: Historical cost information is not required for participant-directed investments.

# MORPHE, LLC 401(k) PLAN

**EIN: 81-4828460, PLAN #001**

**ATTACHMENT TO FORM 5500, SCHEDULE H, LINE 4(a)**

**SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

**DECEMBER 31, 2022**

| Year | Participant Contributions Transferred Late to the Plan | Totals that Constitute Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|---|
| | Check Here if Late Participant Loan Repayments are Included: | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| 2022 | ☒ | $ 199,553 | $ - | $ - | $ - |
| 2020 | ☒ | $ 197,715 | $ - | $ - | $ - |
| 2018 | ☒ | $ 81,779 | $ - | $ - | $ - |

# MORPHE, LLC 401(k) PLAN

**EIN: 81-4828460, PLAN #001**

**ATTACHMENT TO FORM 5500, SCHEDULE H, LINE 4(i)**

**SCHEDULE OF ASSETS (HELD AT END OF YEAR)**

**DECEMBER 31, 2022**

| (a) | (b) Identity of Issuer, Borrower, Lessor or Similar Party | (c) Desciption of Investment (Rate of Interest) | (d) Cost | (e) Current Value |
|---|---|---|---|---|
| | American Century Mid-Cap Value | Registered Investment Company | $ - | $ 106,287 |
| | American Century Sustainable Equity | Registered Investment Company | - | 107,375 |
| | American Funds 2020 Target Date Retirement | Registered Investment Company | - | 70,772 |
| | American Funds 2025 Target Date Retirement | Registered Investment Company | - | 48,119 |
| | American Funds 2030 Target Date Retirement | Registered Investment Company | - | 80,811 |
| | American Funds 2035 Target Date Retirement | Registered Investment Company | - | 84,806 |
| | American Funds 2040 Target Date Retirement | Registered Investment Company | - | 869,844 |
| | American Funds 2045 Target Date Retirement | Registered Investment Company | - | 1,011,052 |
| | American Funds 2050 Target Date Retirement | Registered Investment Company | - | 1,753,482 |
| | American Funds 2055 Target Date Retirement | Registered Investment Company | - | 550,774 |
| | American Funds 2060 Target Date Retirement | Registered Investment Company | - | 288,112 |
| | American Funds EuroPacific Growth | Registered Investment Company | - | 251,429 |
| | American Funds Growth Fund of American | Registered Investment Company | - | 234,209 |
| | American Funds New World | Registered Investment Company | - | 223,428 |
| | Fidelity 500 Index | Registered Investment Company | - | 906,976 |
| | Fidelity International Index | Registered Investment Company | - | 326,913 |
| | Fidelity Mid-Cap Index | Registered Investment Company | - | 258,254 |
| | Fidelity Small-Cap Index | Registered Investment Company | - | 141,080 |
| | Fidelity US Bond Index | Registered Investment Company | - | 151,366 |
| | JP Morgan Mid-Cap Growth | Registered Investment Company | - | 145,895 |
| | Loomis Sayles Small-Cap Growth | Registered Investment Company | - | 64,423 |
| | MFS Value | Registered Investment Company | - | 348,150 |
| | PGIM Global Total Return | Registered Investment Company | - | 41,675 |
| | PGIM Total Return Bond | Registered Investment Company | - | 235,071 |
| | Royce Small-Cap Opportunity | Registered Investment Company | - | 71,914 |
| | | Total Investments, at Fair Value | - | 8,372,217 |
| * | Empower Key Guaranteed Portfolio | Guaranteed Investment Contract | - | 207,222 |
| | | Total Investments | $ - | $ 8,579,439 |
| * | Participant Loans | Interest Rate 5.25% - 9.00%; Various Maturities through 2027 | $ - | $ 166,609 |

*Indicates a party-in-interest to the Plan.

(d) Note: Historical cost information is not required for participant-directed investments.

# MORPHE, LLC 401(k) PLAN

**EIN: 81-4828460, PLAN #001**

**ATTACHMENT TO FORM 5500, SCHEDULE H, LINE 4(a)**

**SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

**DECEMBER 31, 2022**

| Year | Participant Contributions Transferred Late to the Plan | Totals that Constitute Nonexempt Prohibited Transactions | | | Total Fully Corrected Under VFCP and PTE 2002-51 |
|---|---|---|---|---|---|
| | Check Here if Late Participant Loan Repayments are Included: | Contributions Not Corrected | Contributions Corrected Outside VFCP | Contributions Pending Correction in VFCP | |
| 2022 | ☒ | $ 199,553 | $ - | $ - | $ - |
| 2020 | ☒ | $ 197,715 | $ - | $ - | $ - |
| 2018 | ☒ | $ 81,779 | $ - | $ - | $ - |

# SCHEDULE OF ASSETS (HELD AT END OF YEAR)



**Morphe, LLC 401(k) Plan**

**01-JAN-22 to 31-DEC-22**



| INVESTMENT OPTION | MATURITY DATE | INTEREST RATE | COST OF ASSETS | CURRENT VALUE |
|---|---|---|---|---|
| 1RRCTX | | | 77,650.28 | 70,771.61 |
| 1RFDTX | | | 52,961.67 | 48,118.82 |
| 1RFETX | | | 89,370.90 | 80,810.93 |
| 1RFFTX | | | 94,246.26 | 84,806.43 |
| 1RFGTX | | | 935,036.15 | 869,844.41 |
| 1RFHTX | | | 1,111,269.66 | 1,011,052.10 |
| 1RFITX | | | 1,926,763.21 | 1,753,482.10 |
| 1RFKTX | | | 612,572.54 | 550,774.02 |
| 1RFUTX | | | 329,708.62 | 288,111.66 |
| 1RERGX | | | 293,113.98 | 251,428.57 |
| 1RNWGX | | | 255,968.35 | 223,428.18 |
| 1FSPSX | | | 345,740.04 | 326,912.58 |
| 1FSSNX | | | 148,306.86 | 141,080.47 |
| 1LSSNX | | | 76,621.77 | 64,423.23 |
| 1ROFIX | | | 76,704.36 | 71,913.75 |
| 1AMDVX | | | 111,323.38 | 106,287.52 |
| 1FSMDX | | | 261,050.94 | 258,253.84 |
| 1JMGMX | | | 165,087.05 | 145,894.57 |
| 1AFEDX | | | 112,528.31 | 107,375.37 |
| 1RGAGX | | | 289,249.53 | 234,209.45 |
| 1FXAIX | | | 929,913.45 | 906,975.94 |
| 1MEIKX | | | 332,587.84 | 348,150.18 |
| 1FXNAX | | | 175,200.84 | 151,365.59 |
| 1PGTQX | | | 51,959.45 | 41,674.62 |
| 1PTRQX | | | 283,727.33 | 235,070.59 |
| 1KGPGW | | 1.050 | 167,464.64 | 170,661.28 |
| | | | **9,306,127.41** | **8,542,877.81** |
| PARTICIPANT LOANS | VARIOUS | 5.250-9.000 | 166,673.57 | 166,608.89 |
| FORFEITURES | | | 36,066.25 | 36,560.87 |

Attachment to Form 5500, Schedule H, Part 4, Item I
EIN # 81-4828460

# SCHEDULE OF ASSETS (HELD AT END OF YEAR)



**Morphe, LLC 401(k) Plan**

**01-JAN-22 to 31-DEC-22**



| INVESTMENT OPTION | MATURITY DATE | INTEREST RATE | COST OF ASSETS | CURRENT VALUE |
|---|---|---|---|---|

LEGEND

INVESTMENT OPTION:

| | | | |
|---|---|---|---|
| 1RRCTX | American Funds 2020 Trgt Date Retire R6 | 1RFDTX | American Funds 2025 Trgt Date Retire R6 |
| 1RFETX | American Funds 2030 Trgt Date Retire R6 | 1RFFTX | American Funds 2035 Trgt Date Retire R6 |
| 1RFGTX | American Funds 2040 Trgt Date Retire R6 | 1RFHTX | American Funds 2045 Trgt Date Retire R6 |
| 1RFITX | American Funds 2050 Trgt Date Retire R6 | 1RFKTX | American Funds 2055 Trgt Date Retire R6 |
| 1RFUTX | American Funds 2060 Trgt Date Retire R6 | 1RERGX | American Funds EuroPacific Gr R6 |
| 1RNWGX | American Funds New World R6 | 1FSPSX | Fidelity International Index |
| 1FSSNX | Fidelity Small Cap Index | 1LSSNX | Loomis Sayles Small Cap Growth N |
| 1ROFIX | Royce Small-Cap Opportunity Instl | 1AMDVX | American Century Mid Cap Value R6 |
| 1FSMDX | Fidelity Mid Cap Index | 1JMGMX | JPMorgan Mid Cap Growth R6 |
| 1AFEDX | American Century Sustainable Equity R6 | 1RGAGX | American Funds Growth Fund of Amer R6 |
| 1FXAIX | Fidelity 500 Index | 1MEIKX | MFS Value R6 |
| 1FXNAX | Fidelity US Bond Index | 1PGTQX | PGIM Global Total Return R6 |
| 1PTRQX | PGIM Total Return Bond R6 | 1KGPGW | Key Guaranteed Portfolio Fund |

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