

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.**

OMB Nos. 1210-0110
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 01/01/2020 and ending 01/01/2020

- A** This return/report is for: a single-employer plan a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
- B** This return/report is the first return/report the final return/report
 an amended return/report a short plan year return/report (less than 12 months)
- C** Check box if filing under: Form 5558 automatic extension DFVC program
 special extension (enter description)
- D** If the plan is a collectively-bargained plan, check here ▶
- 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 50CAN, INC. SAFE HARBOR 401(K) PLAN		1b Three-digit plan number (PN) ▶	001
		1c Effective date of plan	01/01/2011
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) 50CAN, INC 1380 MONROE ST NW PMB 413 WASHINGTON, DC 20010-3452		2b Employer Identification Number (EIN)	27-3069592
		2c Sponsor's telephone number	301-458-8452
		2d Business code (see instructions)	813000
3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor.		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report. a Sponsor's name c Plan Name		4b EIN	
		4d PN	
5a Total number of participants at the beginning of the plan year	5a	67	
b Total number of participants at the end of the plan year.....	5b		
c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1)		
c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2)		
d(1) Total number of active participants at the beginning of the plan year.....	5d(1)		
d(2) Total number of active participants at the end of the plan year.....	5d(2)		
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	5e		

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	12/03/2024	KENNA LITTLE
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	12/03/2024	KENNA LITTLE
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)..... Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? Yes No Not determined
- If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____ (See instructions.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	2548485	3288795
b Total plan liabilities	7b	0	0
c Net plan assets (subtract line 7b from line 7a)	7c	2548485	3288795
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	182387	
(2) Participants	8a(2)	284265	
(3) Others (including rollovers)	8a(3)	268	
b Other income (loss)	8b	501909	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		968829
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d	212883	
e Certain deemed and/or corrective distributions (see instructions) .	8e	0	
f Administrative service providers (salaries, fees, commissions)	8f	15636	
g Other expenses	8g	0	
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		228519
i Net income (loss) (subtract line 8h from line 8c)	8i		740310
j Transfers to (from) the plan (see instructions)	8j	0	

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic 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 Characteristic Codes in the instructions:

Part V Compliance Questions				
10 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)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c		X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g	X		33655
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a**

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, 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 _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? Yes No
 (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above.

a 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 letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year. **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

- Design-based safe harbor method
- "Prior year" ADP test
- "Current year" ADP test
- N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.



Kenna Little <kenna.little@50can.org>

DFVC Program Confirmation of Attempted Submission

1 message

noreply-ebsa via Compliance <compliance@50can.org>

Tue, Dec 3, 2024 at 3:43 PM

Reply-To: noreply-ebsa@dol.gov

To: compliance@50can.org

Dear Kenna Little:

On 12/03/2024 the Department of Labor received your submission to the Delinquent Filer Voluntary Compliance Program. Your submission included an attempted payment of \$750.00 and the request for coverage under the DFVC program for the following filings:

EIN: 273069592 Plan Number: 001
Plan Name: 50CAN, Inc. Safe Harbor 401(K) Plan
For the plan year(s) ending:
 12-31-2018
 12-31-2019
 12-31-2020
 12-31-2021
 12-31-2022

If this information, which was entered by you, is not correct you may contact the Office of the Chief Accountant at the DOL at 202/693-8360. Understand that any filings that were not included above cannot be added to your submission and your submission cannot be stopped.

Your submission can be located using the EIN you provided or by using the identifier below:

Agency Tracking ID: 24-12-151742

In order to be accepted into the DFVC Program, all of the above filings must be submitted to EFAST. If you have not already submitted your 5500s to EFAST, information is available at <https://www.efast.dol.gov>.

This is not a confirmation of payment, completeness, or of acceptance into the DFVC program. Additionally, no such confirmation will be provided.



1380 Monroe St NW
#413
Washington, DC 20010

info@50can.org
50can.org

November 25, 2024

VIA CERTIFIED MAIL

#: _____

Department of Treasury
Internal Revenue Service
Ogden, UT 84201-0073

Re: 50CAN, Inc. (EIN: 27-3069592) Response to Internal Revenue Service Notice CP283 and Reasonable Cause Request for Waiver of Proposed Penalties

Dear Sir or Madam,

50CAN, Inc. (the "**Company**") is in receipt of the Internal Revenue Service's ("**IRS**") Notices CP283 issued to the Company with respect to each of the 2018 through 2022 tax periods, each dated November 4, 2024 (attached) (the "**Notices**"), proposing the following penalties for the Company's late submission of the Form 5500-SF with respect to the 50CAN, Inc. Safe Harbor 401(k) Plan (the "**Plan**") for the tax periods specified below (the "**Proposed Penalties**"):

- 2018 Plan Year (ending December 31, 2018) – \$15,000
- 2019 Plan Year (ending December 31, 2019) – \$15,000
- 2020 Plan Year (ending December 31, 2020) – \$150,000
- 2021 Plan Year (ending December 31, 2021) – \$150,000
- 2022 Plan Year (ending December 31, 2022) – \$87,750

While the Company acknowledges that it filed each of the Plan's 2018 through 2022 Forms 5500-SF after the typical deadlines (as extended pursuant to Internal Revenue Service ("**IRS**") Form 5558) of October 15 of 2019 through 2023 respectively, the Company believes it had an acceptable reason to file these Forms 5500-SF after the typical deadline such that waiver of the Proposed Penalties is appropriate.

Specifically, the Company experienced the following disruptions and events outside of the Company's control from early 2018 through mid-2024 that caused the Company to miss the filing deadlines for the Plan's Forms 5500-SF for each of the 2018 through 2022 Plan Years:

- **Significant Turnover:**

- The Company experienced significant turnover in both its Human Resources ("**HR**") and Finance departments between 2018 and 2021 that made it difficult to ensure that all Plan-related reporting obligations were met in a timely manner. The Company had timely filed Forms 5500-SF with respect to the Plan for each of the 2011 (the Plan became effective on January 1, 2011) through 2017 Plan Years. However, on the departure of the Chief Financial Officer of the Company in mid-2019, none of the remaining HR or Finance department members had any institutional knowledge of the obligation to file the Form 5500-SF on behalf of the Plan for the 2018 through 2021 Plan Years. Significant internal turnover in these departments during this period further meant that those who were aware of the filing obligation did not pass any institutional knowledge that remained to those who continued to lead the relevant departments. It was not until the Company's current Vice President of Finance and Operations, Kenna Little, was hired in late October 2021 that the Company's failure to file Forms 5500-SF on behalf of the Plan for the 2018 through 2021 Plan Years was identified. Ms. Little promptly engaged the Plan's third-party administrator, Empower Annuity Insurance Company of America ("**Empower**"), after her hire to address this failure to timely file Forms 5500-SF on behalf of the Plan. However, as discussed further below, these failures continued into the 2022 Plan Year due to issues the Company faced in working with Empower.

- Issues with Third-Party Administrator:

- The Company has worked with Empower as the Plan's third-party administrator since the Plan's effective date on January 1, 2011. Though the Company was able to file Forms 5500-SF with respect to the Plan for each of the 2011 through 2017 Plan Years via Empower's digital platform, the significant turnover discussed above meant that, after the CFO's departure in 2019, nobody at the Company was aware that the Company, not Empower, needed to file these forms. When Ms. Little engaged Empower to resolve this issue in 2023, she was under the impression that Empower would be responsible for preparing and submitting the delinquent 2018 through 2022 Forms 5500-SF via the U.S. Department of Labor's (the "**DOL's**") Delinquent Filer Voluntary Correction Program ("**DFVC Program**") and then continue to submit these forms on a go-forward basis beginning with the Plan's 2023 Form 5500-SF. Ms. Little also engaged a TPA to discuss the status of the Plan's 2018 through 2020

Forms 5500-SF and the DFVC Program submission but was informed that there were various causes of delay at Empower. These delays continued to the point where neither the Plan's 2021 nor 2022 Form 5500-SF were filed in a timely manner. Throughout these delays, Ms. Little requested and received assurances that the TPA and Empower was working to address the failure to file the Plan's 2018 through 2022 Forms 5500-SF. Ms. Little continued to rely on Empower's representations but once again inquired as to status of the corrective filings as the Company approached the deadline to file the Plan's 2023 Form 5500-SF in late 2024. Despite having received recurring assurances that Empower was handling the preparation and submission of the Forms 5500 through the DOL's DFVC Program (which would have been followed by a preemptive request for IRS waiver of related penalties), Ms. Little was informed in late 2024 that it was the Company's responsibility to review the data prepared by Empower and then manually submit the Forms 5500-SF on Empower's digital platform. Ms. Little proceeded to file each of the Plan's 2018 through 2023 Forms 5500-SF using Empower's platform as soon as she was notified by Empower that it was the Company's responsibility, and not Empower's, to submit the Forms 5500-SF. Each such Form 5500-SF for the 2018 through 2023 Plan Years were submitted by the Company on October 1, 2024.

Despite notifying Empower that she had submitted the Forms 5500-SF with respect to the Plan's 2018 through 2022 Plan Years, Empower again did not notify Ms. Little that it was the Company's responsibility to separately complete an application for DOL penalty relief via the DFVC Program. On receipt of the Notices, Ms. Little promptly engaged legal counsel who advised on submission of the DFVC Program application to, at a minimum, obtain penalty relief with respect to the DOL. A copy of the confirmation received by the Company in connection with its DFVC Program submission is attached. Therefore, the Company took appropriate action to address its failure to timely file the 2018 through 2022 Forms 5500-SF with respect to the Plan and to do so in a manner that complied with the DOL's amnesty program, in each case as soon as the Company understood that Empower (despite its prior representations) was not addressing these issues on the Company's behalf.

Accordingly, the Company requests a reasonable cause waiver of the entirety of the Proposed Penalty as the IRS is permitted, in its discretion, to grant pursuant to Treasury Regulation ("**Treas. Reg.**") § 301.6724-1 because: (i) the Company's failure was not the result of willful neglect; (ii) because the Company's delinquent filing of the Plan's 2018 through 2022 Forms 5500-SF was because of significant factors outside of its control (in accordance with Treas. Reg. § 301.6724-1(b)); and (iii) because the Company has otherwise conducted itself in a responsible manner (as required under 26 CFR § 301.6724-1(d)). Specifically, the Company intended to correct its failure to timely file such forms for several years but, due to the myriad of issues described above that were



outside of the Company's control, the Company was only able to do so in late 2024. The Company timely filed the Plan's Form 5500-SF for the 2023 Plan Years (indicating that the Company would have filed the Plan's Forms 5500-SF for prior years by the typical deadline but for the occurrence of the issues described above).

In sum, the Company believes it should qualify for (and respectfully requests) a complete waiver of the Proposed Penalties based on the existence of reasonable cause for such waiver (as described above) and the Company's satisfaction of the elements required for the IRS to grant a waiver of the Proposed Penalty under Treas. Reg. § 301.6724-1. If there is any documentation you need to support the request above, or any other information that would help in any way, please contact me at the mailing address below.

In the event you disagree with the Company's request for a reasonable cause waiver of the Proposed Penalties, I (on behalf of the Company) request the privilege of a phone conference.

Thank you for your consideration of this matter.

Sincerely,

Marc Porter Magee
Chief Executive Officer
50CAN, Inc.