

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 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information										
1a Name of plan <u>API GROUP INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/01/1984</u></td> </tr> <tr> <td colspan="2">2b Employer Identification Number (EIN) <u>41-1858188</u></td> </tr> <tr> <td colspan="2">2c Sponsor's telephone number <u>651-604-2700</u></td> </tr> <tr> <td colspan="2">2d Business code (see instructions) <u>238900</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>07/01/1984</u>		2b Employer Identification Number (EIN) <u>41-1858188</u>		2c Sponsor's telephone number <u>651-604-2700</u>		2d Business code (see instructions) <u>238900</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>										
1c Effective date of plan <u>07/01/1984</u>											
2b Employer Identification Number (EIN) <u>41-1858188</u>											
2c Sponsor's telephone number <u>651-604-2700</u>											
2d Business code (see instructions) <u>238900</u>											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>API GROUP, INC.</u> <u>1100 OLD HIGHWAY 8 NW</u> <u>NEW BRIGHTON, MN 55112</u>											

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2014	THOMAS LYDON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2014	THOMAS LYDON
	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
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	2531
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants		6a	2384
b Retired or separated participants receiving benefits		6b	33
c Other retired or separated participants entitled to future benefits		6c	287
d Subtotal. Add lines 6a , 6b , and 6c		6d	2704
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	7
f Total. Add lines 6d and 6e		6f	2711
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	2671
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	106
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 2I 2P 2Q 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (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) ☒ 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) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning **01/01/2013** and ending **12/31/2013**

A Name of plan API GROUP INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 API GROUP, INC.	D Employer Identification Number (EIN) 41-1858188	

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
WELLS FARGO BANK, N.A.

94-1347393

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

WELLS FARGO

41-6257133

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

WELLS FARGO

94-3224211

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

WELLS FARGO

41-6202499

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

WELLS FARGO

52-2282924

(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)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(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?
13 50 64	CONTRACT ADMINISTRATOR	81260	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

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

WELLS FARGO

41-6257133

(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?
52	INVESTMENT ADVISOR	77636	Yes ☒ No ☐	Yes ☒ No ☐	1078	Yes ☒ No ☐

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

HLB TAUTGES

41-0975573

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT	10000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

CHARTWELL

26-4038273

(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?
34	VALUATION SERVICES	20000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

JEFFREY SLOCUM

99-9999999

(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	25000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

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

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

Part I Service Provider Information (continued)

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

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
WELLS FARGO	52	1078
(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.
WF ADV HERITAGE FUND 525 MARKET STREET SAN FRANCISCO, CA 94105	4 BASIS POINTS ON ASSETS IN THAT FUND	
(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
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(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 D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan 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.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>API GROUP INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN)	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>API GROUP, INC.</u>	D Employer Identification Number (EIN) <u>41-1858188</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>ADVANTAGE PRIME MONEY MARKET</u>		
b Name of sponsor of entity listed in (a): <u>WELLS FARGO</u>		
c EIN-PN <u>41-1858188-045</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WF/BLACKROCK S&P 500 IDX CIT N</u>		
b Name of sponsor of entity listed in (a): <u>WELLS FARGO</u>		
c EIN-PN <u>41-1858188-002</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>4841545</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WELLS FARGO STABLE RETURN FUND N</u>		
b Name of sponsor of entity listed in (a): <u>WELLS FARGO</u>		
c EIN-PN <u>41-1858188-002</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>14814141</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>WF INTER GOV/CREDIT BD INX N</u>		
b Name of sponsor of entity listed in (a): <u>WELLS FARGO</u>		
c EIN-PN <u>41-1858188-002</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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 2013 This Form is Open to Public Inspection
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>API GROUP INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>		B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>API GROUP, INC.</u>		D Employer Identification Number (EIN) <u>41-1858188</u>

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	4449641	5469378
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	2652951
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	43576	0
(2) U.S. Government securities	1c(2)		33080
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	34129763	19655686
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	0	12909060
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	158805220	203022732
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	197428200	243742887

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	
i Acquisition indebtedness	1i	0	
j Other liabilities	1j	5289824	5240874
k Total liabilities (add all amounts in lines 1g through 1j)	1k	5289824	5240874

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	192138376	238502013
---	-----------	-----------	-----------

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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	5511342	
(B) Participants	2a(1)(B)	0	
(C) Others (including rollovers)	2a(1)(C)	0	
(2) Noncash contributions	2a(2)	0	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		5511342

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	324	
(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)		
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		324

(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)	57622	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		57622

(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)	44217512	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		44217512

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		-912327
(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)		2986819
c Other income.....	2c		15893645
d Total income. Add all income amounts in column (b) and enter total.....	2d		67754937

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	20499659	
(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)		20499659
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		139404
i Administrative expenses: (1) Professional fees.....	2i(1)	30000	
(2) Contract administrator fees.....	2i(2)	81260	
(3) Investment advisory and management fees.....	2i(3)	82602	
(4) Other.....	2i(4)	3805	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		197667
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		20836730

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		46918207
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(2) From this plan.....	2l(2)		554570

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) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☐ Yes ☒ No

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

(1) Name: REDPATH & COMPANY, LTD.

(2) EIN: 41-0975573

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

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

Part IV Compliance Questions

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

During the plan year:

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

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.).....

	Yes	No	Amount
4a		X	0
4b		X	0

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	0
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.)		X	0
e Was this plan covered by a fidelity bond?	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		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?		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?		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.)	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.)		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?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		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.			

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

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)
API GROUP	41-1858188	001

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

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 section 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 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>API GROUP INC. EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>API GROUP, INC.</u>	D Employer Identification Number (EIN) <u>41-1858188</u>

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	<u>16345033</u>
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): <u>42-0127290</u> <u>41-1727466</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

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

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

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

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

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☒ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

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

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

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

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

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

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

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

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

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

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

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

**API GROUP, INC. EMPLOYEE
STOCK OWNERSHIP PLAN & TRUST**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

December 31, 2013 and 2012

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API GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
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Statement of Changes in Net Assets Available for Benefits	Statement 2
Notes to Financial Statements	

SUPPLEMENTAL SCHEDULE

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	Schedule 1
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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator and Participants of
APi Group, Inc. Employee Stock Ownership Plan & Trust
New Brighton, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of APi Group, Inc. Employee Stock Ownership Plan & Trust, which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

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significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

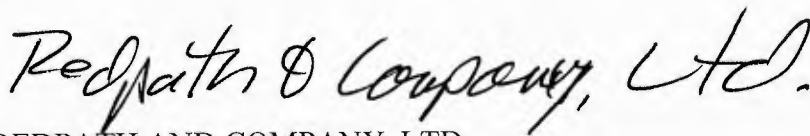
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of APi Group, Inc. Employee Stock Ownership Plan & Trust as of December 31, 2013 and 2012, and the changes in its net assets available for benefits for the year ended December 31, 2013 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosures under the Employee Retirement Income Securities Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

October 13, 2014

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FINANCIAL STATEMENTS

API GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2013 and 2012

Statement 1

	2013		
	Allocated	Unallocated	Total
Assets:			
Cash	\$33,080	\$ -	\$33,080
Investments, at fair value:			
Investment in APi Group, Inc. common stock	196,193,522	6,829,210	203,022,732
Mutual funds	12,909,060	-	12,909,060
Common collective trusts	19,776,577	-	19,776,577
Receivables:			
Employer contributions receivable	228,504	5,240,874	5,469,378
Dividends receivable	2,545,339	86,838	2,632,177
Other receivables	20,774	-	20,774
Total assets	231,706,856	12,156,922	243,863,778
Liabilities:			
Notes payable	-	5,240,874	5,240,874
Net assets available for benefits at fair value	231,706,856	6,916,048	238,622,904
Adjustment from fair value to contract value for fully benefit responsive investment contract	(120,891)	-	(120,891)
Net assets available for benefits	\$231,585,965	\$6,916,048	\$238,502,013
	2012		
	Allocated	Unallocated	Total
Assets:			
Cash	\$43,576	\$ -	\$43,576
Investments, at fair value:			
Investment in APi Group, Inc. common stock	152,701,217	6,104,003	158,805,220
Common collective trusts	34,744,471	-	34,744,471
Receivables:			
Employer contributions receivable	2,655	4,446,986	4,449,641
Total assets	187,491,919	10,550,989	198,042,908
Liabilities:			
Notes payable	-	5,229,824	5,229,824
Due to plan sponsor	60,000	-	60,000
Total liabilities	60,000	5,229,824	5,289,824
Net assets available for benefits at fair value	187,431,919	5,321,165	192,753,084
Adjustment from fair value to contract value for fully benefit responsive investment contract	(614,708)	-	(614,708)
Net assets available for benefits	\$186,817,211	\$5,321,165	\$192,138,376

The accompanying notes are an integral part of these financial statements

API GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For The Year Ended December 31, 2013

Statement 2

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Additions:			
Employer contributions	\$228,504	\$5,282,838	\$5,511,342
Investment income:			
Interest and mutual fund dividends	57,946	-	57,946
Dividends from APi Group, Inc.	15,050,383	843,262	15,893,645
Net appreciation in APi Group, Inc. common stock	41,871,482	2,346,030	44,217,512
Net appreciation in fair value of common/collective trusts and mutual funds	2,074,492	-	2,074,492
Total additions	<u>59,282,807</u>	<u>8,472,130</u>	<u>67,754,937</u>
Deductions:			
Benefits paid to participants	20,499,659	-	20,499,659
Transfer to Api Group, Inc. Profit Sharing and 401(k) Plan	554,570	-	554,570
Interest expense	-	139,404	139,404
Administrative fees	187,179	10,488	197,667
Total deductions	<u>21,241,408</u>	<u>149,892</u>	<u>21,391,300</u>
Net increase in net assets available for benefits	38,041,399	8,322,238	46,363,637
Investment in Api Group, Inc. common stock allocated to participants	6,727,355	(6,727,355)	-
Beginning net assets available for benefits	<u>186,817,211</u>	<u>5,321,165</u>	<u>192,138,376</u>
Ending net assets available for benefits	<u>\$231,585,965</u>	<u>\$6,916,048</u>	<u>\$238,502,013</u>

The accompanying notes are an integral part of these financial statements

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API GROUP, INC.
EMPLOYEE STOCK OWNERSHIP PLAN & TRUST
NOTES TO FINANCIAL STATEMENTS
December 31, 2013 and 2012

Note 1 DESCRIPTION OF PLAN

The following brief description of the API Group, Inc. (the Company and Plan Sponsor) Employee Stock Ownership Plan & Trust (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

- A. General. The Plan is a defined-contribution plan covering all full-time employees of the Company who have completed one year of service and are age 21 or older or are members of the Company's management trainee program and are not subject to a collective bargaining agreement. The Plan is an employee stock ownership plan (ESOP) and trust and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Certain members of management of the Company are trustees of the Plan. The Plan is administered by the trustees.

The Plan allows for the repurchase of shares of Company common stock with the proceeds of a loan, if necessary.

The Plan purchased terminated participants' interest in the Company common stock equivalent to 27,900 and 28,100 shares during 2013 and 2012, respectively (see Note 8). As the notes payable are paid off, these shares will be allocated to eligible employees in accordance with applicable provisions of the Plan. The Company has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the changes in net assets available for benefits therein pertaining to:

- 1) The accounts of employees with vested rights in allocated stock (allocated)
 - 2) Stock not yet allocated to employees (unallocated)
- B. Contributions. Each year the Company may make discretionary contributions, at the option of the Company's Board of Directors, subject to IRS regulations. The Company elected to make a discretionary contribution to the Plan of approximately \$5,511,000 for the year ended December 31, 2013.
- C. Dividends. The Company is taxed as a Subchapter S corporation under sections of the federal and state income tax laws which provide that, in lieu of corporate income taxes, the stockholders separately account for the Company's items of income, deductions, losses and credits. In accordance with this election, the Company declared dividends of approximately \$15,894,000 for the year ended December 31, 2013, to the Plan, which is shown as dividends on the statement of changes in net assets available for benefits. At December 31, 2013, there were dividends declared but not paid of approximately \$2,632,000, which is shown as dividends receivable on the statement of net assets available for benefits.
- D. Benefit Payments to Participants. On separation from service, a participant may elect to receive either a lump-sum amount equal to his or her account, or annual or more frequent installments as may be conveniently determined, subject to the authority of an administrative committee to set limitations on the number of years over which distributions may be paid. The amount to be distributed is based upon the account valuation date immediately preceding the distribution. Distributions are paid in the form

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of a single payment or installment payments of cash. Benefit payments to participants are recorded upon distribution.

- E. Administrative Expenses. As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company.
- F. Voting Rights. In limited circumstances, each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee is not permitted to vote any allocated shares for which instructions have not been given by a participant. The trustee is required, however, to vote any unallocated shares on behalf of the collective best interest of the Plan participants and beneficiaries.
- G. Plan Termination. The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC. Upon termination of the Plan, the Employee Benefits Administration Committee should direct the Trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed common stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.
- H. Participant Accounts. The plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's account balance.
- I. Vesting. If a participant's employment with the Company ends for any reason other than retirement, disability, or death, he or she will vest in the balances in his or her account based on total years of service with the Company. A participant's account becomes fully vested after six years of service with the Company under a graded vesting schedule. Management trainee accounts become fully vested after two years of service with the Company.
- J. Put Option. Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market, or is subject to trading limitations, includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.
- K. Diversification. Diversification is offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company common stock into investments which are more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan may elect to diversify a portion of their account. Diversification is offered to each eligible participant over a six-year period. In each of the first five years, a participant may diversify up to 25%

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of the number of shares allocated to his or her account. In the sixth year, the percentage changes to 50%.

- L. Forfeitures. Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2013, totaled \$66,311 and 829 shares.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Presentation. The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

- B. Use of Estimates. The preparation of financial statements in conformity with accounting principles general accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.
- C. Risks and Uncertainties. The Plan investments consist primarily of the Company's common stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earning, cash flows and/or other such techniques. Due to the level of risk associated with the investment securities and to uncertainties inherent in the estimations and assumptions process, 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 the amounts reported in the statement of net assets available for benefits.
- D. Investment Valuation and Income Recognition. The shares of Company common stock are valued at fair value. See Note 6 for discussion of fair value measurements.

Other investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's trustees determine the Plan's valuation policies utilizing information provided by the investment advisers, custodians, and insurance company.

Dividend income is accrued on the ex-dividend date.

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Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

- E. Subsequent Events. The Plan has evaluated subsequent events through October 13, 2014, the date the financial statements were available to be issued.

Note 3 TAX STATUS

The Plan has received a determination letter from the internal Revenue Services dated April 4, 2013, stating that the Plan is qualified, under the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is currently designed, and being operated, in compliance with the applicable requirements of the IRC. Therefore, they believe that the Plan was qualified, and the related trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

Note 4 ADMINISTRATION OF PLAN ASSETS

The Plan's assets, which consist principally of sponsor Company common shares, are held by the trustee of the Plan.

Company contributions are held and managed by the trustees, which invest cash received, interest income, and dividend income and make distributions to participants. The trustees also administer the payment of interest and principal on the notes payable.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Certain Plan expenses incurred in Plan administration are paid directly by the Company on behalf of the Plan.

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Note 5 INVESTMENTS

The Plan's investment in the APi Group, Inc. common stock at December 31 consisted of the following:

	2013		
	Allocated	Unallocated	Total
Number of shares	950,826	33,097	983,923
Cost	\$33,323,076	\$5,240,874	\$38,563,950
Fair value	196,193,522	6,829,210	203,022,732

	2012		
	Allocated	Unallocated	Total
Number of shares	946,104	37,819	983,923
Cost	\$28,941,376	\$5,229,824	\$34,171,200
Fair value	152,701,217	6,104,003	158,805,220

The following presents investments that represent 5% or more of the Plan's net assets available for Plan benefits as of December 31:

	2013	2012
Api Group, Inc. Common Stock	\$203,022,732	\$158,805,220
Wells Fargo Stable Return Fund N (contract value of \$14,814,141 and \$21,196,822 at December 31, 2013 and 2012, respectively)	14,935,032	21,811,530

During 2013, the Plan's investments (including gains and losses on investments bought and sold as well as held during the year) appreciated in value by \$46,292,004.

	2013
Mutual funds	\$2,986,819
Common/collective trusts	(912,327)
APi Group, Inc. common stock	44,217,512
	<u>\$46,292,004</u>

Note 6 FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under this guidance are described below:

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.

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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,
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2013 and 2012.

- A. Sponsor company's common stock. The Sponsor's common stock is valued at fair value based upon an independent appraisal. The appraisal was based on a combination of the market and income valuation techniques consistent with prior years. The appraiser took into account historical and projected cash flow and net income and market comparables. Plan management has concluded that a market participant would also recognize a discount for lack of marketability.
- B. Mutual funds. Mutual funds are valued at quoted prices in an active market.
- C. Common/collective trusts. Valued at the NAV of units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

The valuation process involves Plan management's selection of an independent appraiser. Plan management accumulates the data for the appraiser from the audited financial statements of the Company. The appraiser prepares a preliminary report which management, along with the ESOP trustees, reviews in detail, discusses, and approves.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

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

	2013			
	Level 1	Level 2	Level 3	Total
Investment in APi Group, Inc. common stock	\$ -	\$ -	\$203,022,732	\$203,022,732
Mutual funds:				
Equity	4,758,129	-	-	4,758,129
Corporate bonds	5,582,259	-	-	5,582,259
Money market	2,568,672	-	-	2,568,672
Total mutual funds	12,909,060	0	0	12,909,060
Common/collective trusts:				
Principal preservation	-	14,935,032	-	14,935,032
Large cap	-	4,841,545	-	4,841,545
Total common/collective trusts	0	19,776,577	0	19,776,577
Total investments, at fair value	<u>\$12,909,060</u>	<u>\$19,776,577</u>	<u>\$203,022,732</u>	<u>\$235,708,369</u>
	2012			
	Level 1	Level 2	Level 3	Total
Investment in APi Group, Inc. common stock	\$ -	\$ -	\$158,805,220	\$158,805,220
Common/collective trusts:				
Principal preservation	-	21,811,530	-	21,811,530
Bond	-	6,234,784	-	6,234,784
Large cap	-	6,698,157	-	6,698,157
Total common/collective trusts	0	34,744,471	0	34,744,471
Total investments, at fair value	<u>\$0</u>	<u>\$34,744,471</u>	<u>\$158,805,220</u>	<u>\$193,549,691</u>

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended December 31:

	2013	2012
Balance, beginning of year	\$158,805,220	\$140,061,481
Unrealized gains relating to assets still held at the reporting date	44,217,512	18,743,739
Balance, end of year	<u>\$203,022,732</u>	<u>\$158,805,220</u>

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Note 7 INVESTMENTS STATED AT NET ASSET VALUE

The following table sets forth the Plan's level 2 asset stated at net asset value as of December 31 as well as the redemption policies and investment strategies of this investment:

	2013			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common/collective trusts:				
Principal preservation	\$14,935,032	n/a	Daily	Up to 12 months
Large cap	4,841,545	n/a	Daily	0 days
	2012			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common/collective trusts:				
Principal preservation	\$21,811,530	n/a	Daily	Up to 12 months
Bond	6,234,784	n/a	Daily	0 days
Large cap	6,698,157	n/a	Daily	0 days

Note 8 NOTES PAYABLE

During 2013 the Plan entered into a note payable with the Company of \$4,500,000 to purchase terminated participants interest in 27,881 shares of common stock. The note payable is due in annual installments of \$1,125,000, plus interest, with the final principal and interest payment due on June 7, 2017.

During 2012 the Plan entered into a note payable with the Company of \$4,000,000 to purchase terminated participants interest in 28,100 shares of common stock. The note payable is due in annual installments of \$1,000,000, plus interest, with the final principal and interest payment due on June 8, 2016.

During 2011 the Plan entered into a note payable with the Company of \$1,500,000 to purchase terminated participants interests in 11,811 shares of common stock. The balance of this note was paid in full during 2013.

The aforementioned agreements bear interest at the Bank of America, NA reference rate (3.25% at December 31, 2013) and are secured by their respective unallocated shares of the Plan. Interest expense was \$139,404 for the year ended December 31, 2013.

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The aggregate annual maturities required on long-term debt outstanding at December 31 are approximately as follows:

<u>Years Ending December 31</u>	
2014	\$1,125,000
2015	1,125,000
2016	1,865,874
2017	1,125,000
	<u>\$5,240,874</u>

The notes were paid in full during 2014.

Note 9 RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in Company common stock and in mutual funds and common/collective funds held by Wells Fargo Bank, N.A. These transactions qualify as party-in-interest transactions. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA. Certain fees incurred by the Plan for investment management services are included in net appreciation in fair value of common/collective funds, as they are paid through revenue sharing, rather than a direct payment. The Plan made direct payments of \$197,667 to Plan service providers which were not covered by revenue sharing. The Plan Sponsor pays directly any other fees related to the Plan's operations.

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SUPPLEMENTAL SCHEDULE

API GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN & TRUST

EIN 41-1858188

Schedule 1

PLAN NUMBER 002

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2013

(a)	(b)	(c)	(d)	(e)
	Identity of Issuer, Borrower etc.	Description	Cost	Current Value
*	APi Group, Inc. common stock - 950,826 allocated shares	Sponsor Company's Common Stock	\$33,323,076	\$196,193,522
*	APi Group, Inc. common stock - 33,097 unallocated shares	Sponsor Company's Common Stock	5,240,874	6,829,210
	Mainstay Epoch Global Equity Yield Fund Class I	Mutual Fund - Equity	2,358,498	2,388,093
	Global Stock Fund Class Y	Mutual Fund - Equity	2,359,767	2,370,036
	BlackRock Strategic Income Opportunities Portfolio Institutional	Mutual Fund - Corporate Bonds	2,098,455	2,115,065
	PIMCO Unconstrained Bond Fun Institutional Class	Mutual Fund - Corporate Bonds	2,099,868	2,070,087
	Templeton Global Bond Fund	Mutual Fund - Corporate Bonds	1,404,408	1,397,107
*	Wells Fargo Advantage Heritage	Mutual Fund - Money Market	2,568,672	2,568,672
*	Wells Fargo Stable Return Fund N	Common/Collective Trust	13,721,923	14,814,141
*	Wells Fargo Blackrock S&P 500 Index Fund	Common/Collective Trust	2,888,372	4,841,545
			<u>\$68,063,913</u>	<u>\$235,587,478</u>

*Indicates parties-in-interest