Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

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

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

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

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

Part II Basic Plan Information—enter all requested information

1a Name of plan
US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2015

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

6409 CONGRESS AVENUE, SUITE 100
BOCA RATON, FL 33487

2b Employer Identification Number (EIN)
27-1120007

2c Plan Sponsor's telephone number
561-241-6901

2d Business code (see instructions)
541110

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.	10/12/2021	MITCHELL GEVINSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Filed with authorized/valid electronic signature.		
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	
5 Total number of participants at the beginning of the plan year	**5**	607
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	523
a(2) Total number of active participants at the end of the plan year	**6a(2)**	519
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	141
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	660
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	660
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	660
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	138
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 3I

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

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

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

a Pension Schedules

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

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

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

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

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

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

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE 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

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
US DEFAULT GROUP, INC.

D Employer Identification Number (EIN)
27-1120007

Part I Asset and Liability Statement

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

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	6200000	6200000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)	504	515
(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)		
(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)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	25389000	17043000
	(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	31589504	23243515
	Liabilities			
g	Benefit claims payable	1g	0	0
h	Operating payables	1h		
i	Acquisition indebtedness	1i	25682131	16324282
j	Other liabilities	1j	882251	640813
k	Total liabilities (add all amounts in lines 1g through1j)	1k	26564382	16965095
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	5025122	6278420

Part II Income and Expense Statement

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

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	6200400	
	(B) Participants	2a(1)(B)		
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		6200400
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
	(B) U.S. Government securities	2b(1)(B)	11	
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		11
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)	4039700	
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		4039700
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(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)		
	(B) Other	2b(5)(B)	-8346000	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-8346000

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		1894111
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)		
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		0
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		640813
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	0	
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		0
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		640813
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		1253298
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

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

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

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

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

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

(1) Name: MAYER HOFFMAN MCCANN P.C. **(2)** EIN: 43-1947695

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

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

Part IV Compliance Questions

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

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			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.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		1000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

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

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

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

5c 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.)

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

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

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

OMB No. 1210-0110

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
US DEFAULT GROUP, INC.

D Employer Identification Number (EIN)
27-1120007

Part I Distributions

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

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

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

EIN(s): _____ _____

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):

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation_____

US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

Mayer Hoffman McCann P.C.
2255 Glades Road, Suite 321A ▪ Boca Raton, FL 33431
Main: 561.994.5050 ▪ Fax: 561.241.0071 ▪ mhmcpa.com

INDEPENDENT AUDITORS' REPORT

ESOP Committee and the Trustee
US Default Group, Inc. Employee Stock Ownership Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the US Default Group, Inc. Employee Stock Ownership Plan (the "Plan"), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets (deficit) available for benefits for the years then ended, 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.

Auditors' Responsibility for the Financial Statements

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

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

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2019 and 2018 and the changes in net assets (deficit) available for benefits for the years then ended 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 of assets (held at end of year) as of December 31, 2019, 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 Disclosure under the Employee Retirement Income Security 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.



Boca Raton, Florida
February 9, 2021

US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

December 31, 2019 and 2018

	December 31, 2019			December 31, 2018		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ASSETS						
Investments at fair value	$ 10,373,981	$ 6,669,019	$ 17,043,000	$ 10,849,641	$ 14,539,359	$ 25,389,000
Employer contributions receivable	5,559,187	640,813	6,200,000	5,317,749	882,251	6,200,000
Cash	515	-	515	504	-	504
TOTAL ASSETS	15,933,683	7,309,832	23,243,515	16,167,894	15,421,610	31,589,504
LIABILITIES						
Interest payable	-	640,813	640,813	-	882,251	882,251
Loans payable	-	16,324,282	16,324,282	-	25,682,131	25,682,131
TOTAL LIABILITIES	-	16,965,095	16,965,095	-	26,564,382	26,564,382
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS	$ 15,933,683	$ (9,655,263)	$ 6,278,420	$ 16,167,894	$ (11,142,772)	$ 5,025,122

See Notes to Financial Statements

US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS

Years ended December 31, 2019 and 2018

	December 31, 2019			December 31, 2018		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
ADDITIONS:						
Dividend income	$ 2,151,284	$ 1,888,416	$ 4,039,700	$ 1,453,220	$ 2,586,880	$ 4,040,100
Interest income	11	-	11	504	-	504
Employer contributions	5,559,587	640,813	6,200,400	5,317,749	882,251	6,200,000
Allocation of 5,441 and 6,245 shares of Company stock, during 2019 and 2018, respectively, at estimated fair value	4,604,505	-	4,604,505	6,061,796	-	6,061,796
TOTAL ADDITIONS	12,315,387	2,529,229	14,844,616	12,833,269	3,469,131	16,302,400
DEDUCTIONS:						
Net depreciation in the fair value of investments	5,080,165	3,265,835	8,346,000	1,595,204	2,137,696	3,732,900
Allocation of 5,441 and 6,245 shares of Company stock, during 2019 and 2018, respectively, at estimated fair value	-	4,604,505	4,604,505	-	6,061,796	6,061,796
Interest expense	-	640,813	640,813	-	882,251	882,251
TOTAL DEDUCTIONS	5,080,165	8,511,153	13,591,318	1,595,204	9,081,743	10,676,947
NET INCREASE (DECREASE)	7,235,222	(5,981,924)	1,253,298	11,238,065	(5,612,612)	5,625,453
TRANSFER FOR DEBT SERVICE	(7,469,433)	7,469,433	-	(8,395,010)	8,395,010	-
NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS						
Beginning of year	16,167,894	(11,142,772)	5,025,122	13,324,839	(13,925,170)	(600,331)
End of year	$ 15,933,683	$ (9,655,263)	$ 6,278,420	$ 16,167,894	$ (11,142,772)	$ 5,025,122

See Notes to Financial Statements

(1) Description of plan

The following description of the US Default Group, Inc. Employee Stock Ownership Plan (the "Plan") provides only general information. Participants should refer to the Plan document or Summary Plan Description for a more complete description of the Plan's provisions, which are available from the plan administrator.

General - The Plan is a defined contribution plan sponsored by US Default Group, Inc. and Subsidiary (the "Company") for the benefit of its employees that include the employees of US Default Group, Inc. and Indy Default Group, LLC. The Plan also covers the employees of RAS Title, LLC, who is an affiliate of the Company. The Plan is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code ("IRC") of 1986, as amended, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan is administered by the Company's ESOP Committee ("Committee"), which is a committee of management personnel of the Company. An independent third-party financial institution is the Plan's Trustee.

On December 23, 2015, the Plan purchased 30,000 shares of Class B Convertible Preferred Shares of the Company (30% of total shares outstanding and 100% of total Class B Convertible Preferred Stock outstanding) from the Company for $50,500,000 ($1,683.33 per share as valued in an independent valuation). The purchase of the shares was financed with notes payable (Note 5). The notes payable are to be repaid over an initial period of 30 years by Company contributions. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the IRC. Allocated shares are subject to vesting. The 30,000 Class B Convertible Preferred Shares receive annual dividend of $134.67 per share until total dividends equal $538.67, at which time the preferred shares are automatically converted to common stock. In December 2019, the Plan owned 30,000 Class B Convertible Preferred Shares which automatically converted to common shares (collectively "Company Stock") after the final preferred dividend was paid.

The note payable is collateralized by unallocated shares of Company Stock and is guaranteed by the Company. The lender has no rights against shares of Company Stock once they are allocated to participants in accordance with the terms of the Plan. Accordingly, the financial statements of the Plan as of December 31, 2019 and 2018, and for the years then ended, present separately the assets and liabilities and changes therein pertaining to the accounts of employees with rights in allocated Company Stock (allocated) and Company Stock not yet allocated to employees (unallocated). As of December 31, 2019 and 2018 18,261 and 12,820 shares, respectively, of Company Stock were allocated to participants.

(1) Description of plan (continued)

Plan changes - Effective June 4, 2019, GreatBanc Trust Company ("GreatBanc") replaced Wilmington Trust Retirement and Institutional Services Company ("Wilmington") as the Plan's trustee.

Eligibility - Employees of the Company are generally eligible to participate in the Plan upon hire. An employee does not have to be employed on the last day of the Plan year to receive an allocation of Company's contribution.

Contributions - The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Employee contributions are not permitted. For the years ended December 31, 2019 and 2018, the Company elected to make contributions totaling $6,200,000, in addition to the dividends paid during the year.

Payment of benefits - Distributions on account of death, disability or retirement are made in a lump sum in the Plan year following the event. Distributions for other separations from service commence in the fifth Plan year following the separation from service. The amount to be distributed is based upon the immediately preceding valuation date. Distributions are made in cash or, if a participant elects, in the form of Company stock plus cash for any fractional shares of stock. Under the provisions of the Plan, the Company is obligated to repurchase participant shares which have been distributed under the terms of the Plan if the shares are not publicly traded or if the shares are subject to trading limitations.

Administrative expenses - As provided in the Plan agreement, administrative expenses may be paid either by the Plan or by the Company. For 2019 and 2018, the Company has elected to pay the operating expenses for the Plan.

Voting rights - 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 share 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 Plan participants and beneficiaries.

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 Stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Allocations are based on 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.

(1) Description of plan (continued)

Vesting - If a participant's employment with the Company ends for any reason other than retirement, permanent disability, or death, they will vest in the balances in their account based on total years of service. A participant is 100% vested after three years of credited service.

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 current appraised value of the stock. The Company can pay for the purchase with interest over a period not exceeding five years. The purpose of the put option is to ensure that the participant has the ability to ultimately obtain cash.

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 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% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changes to 50%. For participants who elect to diversify the Plan will distribute cash. The election to diversify is made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

Forfeitures - Plan forfeitures are allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2019 and 2018 totaled approximately $295,000 and $733,000, respectively.

(2) Summary of significant accounting policies

Basis of accounting - The financial statements of the Plan are prepared on the accrual method of accounting.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates. The most significant estimate is the valuation of the Company Stock.

(2) Summary of significant accounting policies (continued)

Allocations - The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to: (a) the accounts of employees with rights in allocated stock ("allocated") and (b) stock not yet allocated to employees ("unallocated"), including shares that are committed to be released. Shares are released from collateral and become allocated generally in the period in which debt service is actually paid.

Investment valuation and income recognition - The shares of Company Stock are valued at estimated fair value. See Note 4 for discussions of fair value measurements. Dividends are recorded on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Realized gains and losses from security transactions are reported on the average cost method. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

New accounting pronouncements - In 2019, the Plan adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-09, *"Codification Improvements"* which makes changes to a variety of topics, to clarify, correct errors in, or make minor improvements to the Accounting Standards Codification ("ASC"). The portion of ASU 2018-09 that is most applicable to the Plan relates to whether certain investments have a readily determinable fair value or qualify for the net asset value per share practical expedient in accordance with ASC 820, *Fair Value Measurement*. The standard is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The adoption of ASU 2018-09 did not have a material impact on the Plan's financial statements.

In August 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement - Disclosure Framework (Topic 820)"*. The updated guidance improves the disclosure requirements on fair value measurements. The updated guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for any removed or modified disclosures. Management does not expect the adoption of ASU 2018-13 to have a material impact on the Plan's financial statements.

(3) Investments

The Plan's investments at December 31, 2019 and 2018 are presented in the following table:

	December 31, 2019		December 31, 2018	
	Allocated	Unallocated	Allocated	Unallocated
Company stock: Number of shares	18,261	11,739	12,820	17,180
Cost	$ 30,739,350	$ 19,760,650	$ 21,580,333	$ 28,919,667
Estimated fair value	$ 10,373,981	$ 6,669,019	$ 10,849,641	$ 14,539,359

(4) Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under the FASB ASC 820 *Fair Value Measurement* 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.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(4) Fair value measurements (continued)

The following is a description of the valuation methodologies used for assets measured at fair value.

Company stock: The Company Stock held by the Plan is valued at fair value based upon an independent appraisal. The valuation model considers historical and projected cash flow and net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities and assigns a weighting to each valuation method based on the nature and reliability of the inputs and assumptions. Market multiples are derived from comparable publically traded equities or published trading multiples for private equity investments in similar companies. These multiples may be adjusted for current operating performance, geographic location, future expectations, financing and sales transactions, and other investment-specific factors and cash flows. At December 31, 2019 and 2018, 100% weight was given to the income approach based on the nature and comparability of the inputs and assumptions.

The estimated fair value at December 31, 2019 and 2018 also includes a discount for lack of marketability given the illiquid nature of the Company Stock.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2019 and 2018:

	Investments at Fair Value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Common Stock	$ -	$ -	$ 17,043,000	$ 17,043,000

	Investments at Fair Value as of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Class B Convertible Preferred Stock	$ -	$ -	$ 25,389,000	$ 25,389,000

(4) Fair value measurements (continued)

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2019 and 2018:

	Level 3 Investments Year Ended December 31, 2019	Level 3 Investments Year Ended December 31, 2018
Balance, beginning of year	$ 25,389,000	$ 29,121,900
Realized gains (losses)	-	-
Unrealized (depreciation) in estimated fair value	(8,346,000)	(3,732,900)
Balance, end of year	$ 17,043,000	$ 25,389,000
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ (8,346,000)	$ (3,732,900)

Gains and losses (realized and unrealized) included in changes in net assets for the period above are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets (deficit) available for benefits.

(4) Fair value measurements (continued)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

December 31, 2019

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
US Default Group, Inc. Common Stock	$ 17,043,000	Income approach	EBITDA Marketability discount Discount rate Company specific risk premium

December 31, 2018

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
US Default Group, Inc. Class B Convertible Preferred Stock	$ 25,389,000	Income approach	EBITDA Marketability discount Discount rate Company specific risk premium

The valuation process involves Plan management's selection of an appraiser under an annual contract. Plan management accumulates the data for the appraiser from historical and projected financial information of the Company. The appraiser prepares a report of estimated per share value that a participant will receive upon distribution, which Plan management, along with the Trustee, reviews in detail, discusses and approves.

The preceding methodologies described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methodologies 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. Additionally, the Plan sponsor is heavily dependent on revenues from one entity, which shares some common ownership with the Plan Sponsor. A change in revenue from that entity could have a significant impact on the fair value of the shares held by the Plan.

(5) Loans payable

On December 23, 2015, the Plan utilized promissory notes in the amount of $50,500,000 (the "Promissory Notes") to purchase 30,000 shares of the Company's Class B Convertible Preferred Stock which automatically converted to the Company's common stock in December 2019. The Promissory Notes that are due to stockholders of the Company and are guaranteed by the Company, require quarterly principal payments plus interest that began on March 31, 2016, at a rate of 8% per annum. The initial maturity date of the Promissory Notes was December 31, 2045. On February 19, 2016, the Company assumed the Promissory Notes totaling $50,500,000 through the refinanced (internal) ESOP loan and pledge agreements (the "Refinanced ESOP Loan").

The Refinanced ESOP Loan requires equal annual principal payments over 30 years plus accrued interest of 2.62%, maturing on December 31, 2045. The Refinanced ESOP Loan is collateralized by unallocated shares of Company Stock.

The Company is obligated to make cash contributions to enable the Plan to make its regularly scheduled payments of principal and interest due on these notes payable. As the Plan makes principal and interest payments, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Internal Revenue Code. For financial reporting purposes, the shares pledged as collateral are reported as unallocated ESOP shares in the statements of changes in net assets (deficit) available for benefits.

Aggregate annual maturities of long-term debt at December 31, 2019 are as follows:

Years Ending December 31,	
2020*	$ 5,559,187
2021	430,604
2022	430,604
2023	430,604
2024	430,604
Thereafter	9,042,679
	$ 16,324,282

*Includes elective prepayment of principal made in October 2020.

During the years ended December 31, 2019 and 2018, the Company declared and paid dividends totaling $4,039,700 and $4,040,100, respectively, which were used to reduce the principal balance on the loan. For the years ended December 31, 2019 and 2018, the Company also elected to make a contribution of $6,200,000, which will be used for additional debt service payments.

(5) Loans payable (continued)

Additionally, during the years ended December 31, 2019 and 2018, the Company made interest payments totaling $169,809 and $2,059,523, respectively, and had accrued interest payable as of December 31, 2019 and 2018 totaling $640,813 and $882,251, respectively. All contributions and interest accrued for the year ended December 31, 2019 and 2018 were paid by the due date of the corporate tax returns.

(6) Related party and party-in-interest transactions and concentrations

Plan investments include shares of Company Stock purchased using proceeds of loans guaranteed by the Company. This investment, transactions in this investment and the loan qualify as party-in-interest transactions. During the years ended December 31, 2019 and 2018, the Plan incurred interest expense of approximately $641,000 and $882,000, respectively, to the Company. All administrative expenses were paid by the Company for the years ended December 31, 2019 and 2018. The Plan also has service providers that qualify as parties in interest under ERISA.

(7) Company dividends

The Company paid a dividend to the ESOP of $4,039,700 and $4,040,100 during the years ended December 31, 2019 and 2018, respectively. During the years ended December 31, 2019 and 2018, the dividend on allocated shares, totaling $2,151,284 and $1,453,220, respectively, was applied to debt service. This is reported as a transfer from the allocated accounts to the unallocated accounts on the statement of changes in net assets (deficit). As required by the plan document, the current appraised value of the shares returned to participant accounts in exchange for the use of such dividends was at least equal to the current value of such dividends.

(8) Plan termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants would become 100% vested in their employer contributions. 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 related regulations. Upon termination of the Plan, the Trustee shall pay all liabilities and expenses of the trust fund and to sell shares of financed Company Stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan.

(9) Tax status

The Internal Revenue Service ("IRS") has determined and informed the Company by letter dated March 23, 2018, that the Plan is designed in accordance with the applicable sections of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

(10) Risks and uncertainties

The Plan investments consist primarily of the Company Stock, which is exposed to various risks such as interest rate, market, and credit risks, as well as valuation assumptions based on earnings, cash flows and/or other such techniques. Due to the level of risk associated with the investment in the Company Stock and to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in the values of the Company Stock will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets (deficit) available for benefits.

(11) Reconciliation of financial statements to Schedule H of Form 5500

Certain line items reported on Schedule H of Form 5500 for the year ended December 31, 2019 have been reclassified in the financial statements. These reclassifications have no impact on net assets (deficit) available for benefits at December 31, 2019, or changes in net assets (deficit) available for benefits for the year then ended.

(12) Subsequent events

The Plan has evaluated subsequent events through February 9, 2021, which is the date the financial statements were available to be issued. Except as noted below, no significant matters were identified for disclosure during this evaluation.

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of the coronavirus (the "COVID-19 outbreak") creating risks to the international community as the virus spread globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

(12) Subsequent events (continued)

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result of the pandemic, the Federal Housing Finance Agency implemented a moratorium on certain foreclosures, which had a significant negative impact on the operations of the Company.

As a result, there has been heightened market risk and operational risk to the Company; the effect on the future valuation and ability of the Company to maintain contributions at the current rate has not yet been determined but it is possible there will be significant volatility in the fair value of the Company Stock valuation. Because the values of the Plan's investment in Company Stock will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and the related impact on the Plan's liquidity cannot be determined at this time.

In December 2019, the Setting Every Community Up for Retirement Enhancement ("SECURE Act") was signed into law, related to required minimum distributions and the limitation of life-time or stretch distributions to remain compliant under the applicable laws and regulations. These provisions are effective beginning January 1, 2020.

SUPPLEMENTAL SCHEDULE

US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

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

December 31, 2019

EIN: 27-1120007
Plan Number: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	US Default Group, Inc.	30,000 shares of common stock, no par value	$ 50,500,000	$ 17,043,000

* Party-in-interest as defined by ERISA

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A This return/report is for:
- ☐ a multiemployer plan
- ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- ☒ 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
US Default Group, Inc. Employee Stock Ownership Plan

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/2015

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

US Default Group, Inc.

6409 Congress Avenue, Suite 100

Boca Raton FL 33487

2b Employer Identification Number (EIN)
27-1120007

2c Plan Sponsor's telephone number
561-241-6901

2d Business code (see instructions)
541110

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	Signature of plan administrator	10/12/2021 Date	Mitchell Gevinson Enter name of individual signing as plan administrator
SIGN HERE	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE

US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN

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

December 31, 2019

EIN: 27-1120007
Plan Number: 002

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investments including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value
*	US Default Group, Inc.	30,000 shares of common stock, no par value	$ 50,500,000	$ 17,043,000

* Party-in-interest as defined by ERISA