

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 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
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)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN</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>01/01/2008</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2008</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2008</u>					
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) <u>STAUNTON CAPITAL, INC.</u> <u>P.O. BOX 2718</u> <u>HIGH POINT, NC 27261</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>56-1669702</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>336-855-9993</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>337000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>56-1669702</u>	2c Plan Sponsor's telephone number <u>336-855-9993</u>	2d Business code (see instructions) <u>337000</u>	
2b Employer Identification Number (EIN) <u>56-1669702</u>					
2c Plan Sponsor's telephone number <u>336-855-9993</u>					
2d Business code (see instructions) <u>337000</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.	04/25/2022	JOSEPH GORDON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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3a Plan administrator's name and address ☒ 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	744
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)	464
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
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: 2I 2P 2Q 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) (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) ☐ <u>0</u> 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 2021 Form M-1 annual report. If the plan was not required to file the 2021 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 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>		
A Name of plan <u>STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STAUNTON CAPITAL, INC.</u>	D Employer Identification Number (EIN) <u>56-1669702</u>	

Part I	Asset and Liability Statement
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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	2345	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(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)		
(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)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	6742125	0
(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	6744470	0

Liabilities

g Benefit claims payable	1g	134	0
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	134	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	6744336	0
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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)		
(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)		0

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)		
(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)		0

(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)	1528	
(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)		1528

(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	10104120	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	6742125	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		3361995
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(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		3363523
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	10107859	
(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)		10107859
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)		
(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		10107859
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-6744336
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) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

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

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: DUNCAN ASHE, P.A.

(2) EIN: 27-1181547

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

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

Part IV Compliance Questions

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

During the plan year:

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

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	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?		X	
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.)	X		
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?	X		
4k	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
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 0.			
5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)			
5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)	
5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year			

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan <u>STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>STAUNTON CAPITAL, INC.</u>	D Employer Identification Number (EIN) <u>56-1669702</u>

Part I	Distributions
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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>0</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>58-1428634</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.)
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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
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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
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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.
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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

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Schedule R (Form 5500) 2021
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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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

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

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

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

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

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

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

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

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

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

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

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

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

☐ Yes.

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

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

☐ No. Other. Provide explanation _____

Staunton Capital, Inc.

Employee Stock Ownership Plan

Financial Statements

Years Ended December 31, 2021 and 2020

Staunton Capital, Inc.
Employee Stock Ownership Plan
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INDEPENDENT AUDITORS' REPORT

To The Administrative Committee of
Staunton Capital, Inc. Employee Stock Ownership Plan
Greensboro, North Carolina

Opinion

We have audited the accompanying financial statements of Staunton Capital, Inc. Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of December 31, 2021 and 2020, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Staunton Capital, Inc. Employee Stock Ownership Plan as of December 31, 2021 and 2020, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Staunton Capital, Inc. Employee Stock Ownership Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Staunton Capital, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Staunton Capital, Inc. Employee Stock Ownership Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Staunton Capital, Inc. Employee Stock Ownership Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As described in Note 10 to the financial statements, in June 2021, the shareholders of Staunton Capital, Inc. consented to sell the stock owned by the Employee Stock Ownership Plan. As a result, the plan has changed its basis of accounting from the going concern basis used in presenting the 2020 financial statements to the liquidation basis used in presenting the 2021 financial statements. Our opinion is not modified with respect to that matter.

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 Schedule H, line 4i – Schedule of Assets (held at end of year), referred to as “supplemental information,” 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 audits 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.

Duncan Ashe, P.A.

Greensboro, North Carolina
July 26, 2022

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Statement of Net Assets Available for Benefits - Liquidation Basis
December 31, 2021

3

	<u>ALLOCATED</u>	<u>UNALLOCATED</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ -	-	\$ -
Total assets	-	-	-
<u>LIABILITIES</u>			
Total liabilities	-	-	-
Net assets available (deficit) for benefits	\$ -	-	\$ -

See accompanying notes to financial statements

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Statement of Net Assets Available for Benefits
December 31, 2020

4

	<u>ALLOCATED</u>	<u>UNALLOCATED</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 2,345	-	\$ 2,345
Employer contributions receivable	-	-	-
Investment in Staunton Capital, Inc. common stock (at fair value)	<u>6,742,125</u>	<u>-</u>	<u>6,742,125</u>
Total assets	<u>6,744,470</u>	<u>-</u>	<u>6,744,470</u>
<u>LIABILITIES</u>			
Distributions payable	<u>134</u>	<u>-</u>	<u>134</u>
Total liabilities	<u>134</u>	<u>-</u>	<u>134</u>
Net assets available (deficit) for benefits	<u>\$ 6,744,336</u>	<u>-</u>	<u>\$ 6,744,336</u>

See accompanying notes to financial statements

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Statement of Liquidating Activities
Year Ended December 31, 2021

5

	<u>ALLOCATED</u>	<u>UNALLOCATED</u>	<u>TOTAL</u>
Additions to plan assets:			
Dividends	\$ 1,528	-	\$ 1,528
Net realized gain on liquidation of plan assets	<u>3,361,995</u>	<u>-</u>	<u>3,361,995</u>
Total additions	3,363,523	-	3,363,523
Deductions from plan assets:			
Participant distribution	<u>10,107,859</u>	<u>-</u>	<u>10,107,859</u>
Net change	(6,744,336)	-	(6,744,336)
Net assets after liquidation:			
Beginning of year	<u>6,744,336</u>	<u>-</u>	<u>6,744,336</u>
End of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2020

6

	<u>ALLOCATED</u>	<u>UNALLOCATED</u>	<u>TOTAL</u>
Additions to plan assets:			
Contributions	\$ 301,711	-	\$ 301,711
Net unrealized loss in market value of company stock	44,907	-	44,907
Allocation of -0- shares of company stock (at fair value)	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>346,618</u>	<u>-</u>	<u>346,618</u>
Deductions from plan assets:			
Participant distribution	301,711	-	301,711
Allocation of -0- shares of company stock (at fair value)	<u>-</u>	<u>-</u>	<u>-</u>
Total deductions	<u>301,711</u>	<u>-</u>	<u>301,711</u>
Net increase	44,907	-	44,907
Net assets available (deficit) for benefits:			
Beginning of year	<u>6,699,429</u>	<u>-</u>	<u>6,699,429</u>
End of year	<u><u>\$ 6,744,336</u></u>	<u><u>-</u></u>	<u><u>\$ 6,744,336</u></u>

See accompanying notes to financial statements

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1) Plan Description

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

- (a) General – The Plan is a defined contribution employee stock ownership plan covering all full-time employees of Staunton Capital, Inc. (the “Company”) who have one year of service and are age twenty-one or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan is exempt from income taxes under Sections 401(a) and 4975(e)(7) of the Internal Revenue Code.
- (b) Contributions – Employer contributions under the Plan shall be paid to the trustee for each Plan year in such amounts (or under such formula) as may be determined by the Company board of directors. No participant may be required or permitted to make contributions to the Plan.
- (c) Participant accounts – Separate company stock accounts are set up and maintained for each participant under the Plan. At the end of each plan year, the Company stock accounts under the Plan maintained for each participant are credited with their allocable share of Company stock (including fractional shares) as the Company stock is released for allocation.
- (d) Vesting – Vesting is based on years of continuous service after January 1, 2008, the effective date of the Plan. A participant is 100% vested after six years of continuous service. Upon death or disability, a participant is 100% vested. Upon a participant's sixty-fifth (65th) birthday, the participant is 100% vested.
- (e) Participant loans – The Plan does not allow participants to borrow from their fund accounts.
- (f) Payment of retirement benefits – On termination of service due to death, disability, or retirement, a participant or beneficiary will receive the vested value of their account as a lump-sum distribution. The distributee may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Distributions in the form of cash to vested participants for repurchase of allocated stock are subject to satisfaction of pledge requirements for the Plan's exempt loan.
- (g) Account diversification – “Qualified participants” may diversify up to 25% of their account balances during the 90-day period following each of the six plan years after they become “qualified participants”. Up to 50% of the account balance may be diversified in the sixth year. “Qualified participants” are those who have participated in the ESOP for at least 10 years and are at least 55 years of age.
- (h) Plan termination – 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 will become 100% vested in their accounts. (See Note 10.)
- (i) Forfeitures – Employer contributions and 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 non vested account balances allocated to remaining participants at December 31, 2021 and 2020, totaled \$0 and \$24, respectively.

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2) Summary of Significant Accounting Policies

- (a) Basis of accounting – On September 23, 2021, the Independent Trustee and successor minority shareholder completed an agreement to purchase all Staunton Capital, Inc. common shares owned by the ESOP in the form of a stock redemption at a price of \$117.00 per share, for which a fairness opinion was rendered. Accordingly, the Plan adopted the liquidation basis of accounting effective January 1, 2021, and revalued its assets and liabilities to the amounts expected to be collected and distributed to Plan participants and beneficiaries (see Note 10).
- (b) Accounting records – The accounting records with respect to financial transactions are maintained by the trustees of the Plan and Blue Ridge ESOP Associates. Annual financial statements and schedules are furnished to the Plan by the trustees.
- (c) Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
- (d) Valuation of investments and income recognition – The Plan's investment in Staunton Capital, Inc. is stated at fair value. Shares of the common stock of Staunton Capital, Inc. are appraised by an independent appraisal firm and valued at the net asset value of the shares held by the Plan at year-end. See Note 3 for discussion of fair value measurements. Net investment gain (loss) and net income are recorded from the investment company at year end.
- (e) Operating expenses – All expenses of maintaining the Plan are paid by Staunton Capital, Inc.

3) Fair Value Measurement

The Plan's investments are reported at fair value in the accompanying statement of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value measurement information for the sponsor company common stock:

	<u>Fair Value</u>	<u>Level 2 (See Below)</u>
<u>December 31, 2021</u>		
Staunton Capital, Inc. common stock	\$ <u>10,104,120</u>	\$ <u>10,104,120</u>
	<u>Fair Value</u>	<u>Level 3 (See Below)</u>
<u>December 31, 2020</u>		
Staunton Capital, Inc. common stock	\$ <u>6,742,125</u>	\$ <u>6,742,125</u>

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

The Level 2 value measurement of the Staunton Capital, Inc. common stock represents the observable sale price of the common stock (See Note 10). While the value is observable, the stock is not traded on an active market and may not be reflective of future fair value.

The Level 3 value measurement of the Staunton Capital, Inc. common stock is determined by an annual independent appraisal. This appraisal was based on a combination of the asset-based, market and income valuation methods consistent with prior years. The appraiser took into account historical and projected cash flow and net income, return on assets, return on equity, market comparables, and estimated fair value of company assets and liabilities. The following table provides further details of this Level 3 fair value measurement.

	Staunton Capital, Inc. <u>Common Stock</u>
<u>December 31, 2020</u>	
Beginning balance	\$ 6,697,218
Total gains or losses (realized and unrealized) included in changes in net assets available for benefits	<u>44,907</u>
Ending balance	<u>\$ 6,742,125</u>

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the years ended December 31, 2021 and 2020, are reported in net unrealized gain in market value of company stock.

4) Income Tax Status

At Plan inception in January 2008, the Company timely applied for a determination letter from the Internal Revenue Service (IRS) affirming the Plan is a qualified trust exempt from income taxes. The IRS issued a favorable determination letter May 23, 2012.

Further in November 2011, the IRS conducted an examination of Staunton Capital, Inc.'s 2008, 2009 and 2010 1120S (and related plans' Forms 5500), whose shares of common stock have been owned by the Plan since inception in January 2008. On March 8, 2012, the IRS completed the examination and issued a letter with no changes to the 2008, 2009 and 2010 filings.

The Plan accounts for income taxes in accordance with FASB ASC 740-10 (formerly FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes"). ASC 740-10 requires the Plan to assess positions taken or expected to be taken in a tax return where there is uncertainty about whether the tax position will ultimately be sustained upon examination. Management is unaware of any uncertain tax positions that meet the criteria under ASC 740-10. The Plan's tax filings are subject to audit by federal taxing authorities. The Plan's open audit periods are 2019-2021.

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

In January 2013, the Company timely applied and submitted a current Plan Document with amendments and fee to the IRS requesting an updated determination letter affirming the Plan is a qualified trust exempt from income taxes.

5) Administration of Plan Assets

The Plan's assets, which consist principally of Staunton Capital, Inc. common shares, are held by the Trustee of the Plan.

Company contributions are held and managed by the Trustee, which invests cash received and makes distributions to participants.

Acting on behalf of the Trustee, certain Plan administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan, nor the Company, for services provided to the Plan. The Trustee does not receive compensation from the Plan.

6) Investments

The Plan had no investments at December 31, 2021.

The Plan's investments in Staunton Capital, Inc. common shares at December 31, 2020 are as follows:

	<u>Allocated</u>	<u>Unallocated</u>	<u>Total</u>
Number of Shares	<u>86,360</u>	<u>-</u>	<u>86,360</u>
Cost	<u>\$ 8,131,560</u>	<u>\$ -</u>	<u>\$ 8,131,560</u>
Fair Value	<u>\$ 6,742,125</u>	<u>\$ -</u>	<u>\$ 6,742,125</u>

7) Risks and Uncertainties

The employee stock ownership plan has its sole investment of \$-0- (6,742,125 in 2020) in the common stock of Staunton Capital, Inc.

Investment securities are exposed to various risks such as interest rates, market forces and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur and that such changes would materially effect participants' account balances and the amounts reported in the statement of net assets available for benefits.

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

8) Related-Party and Party-In-Interest Transactions

The Plan invests in Company common stock and as described in Notes 2 and 5, the Company pays the expenses of the Plan. The Plan has a number of service providers. Such parties are parties-in-interest under ERISA.

9) Cash

The plan maintains cash accounts to collect employer contributions and pay health claims and administrative expenses. The cash is held by a bank. For the years ended December 31, 2021 and 2020 the balances were as follows:

	<u>2021</u>	<u>2020</u>
Checking account	\$ -	\$ 2,078
Money market	<u>-</u>	<u>267</u>
Total cash	<u>\$ -</u>	<u>\$ 2,345</u>

10) Termination of Plan

In connection with planned retirements, the incumbent Trustees, one of whom was a minority shareholder, resigned on June 28, 2021 and were succeeded by an Independent Trustee. A successor shareholder to the former minority shareholder completed an agreement with the Independent Trustee to purchase all common shares owned by the ESOP on September 23, 2021 in the form of a stock redemption at a price of \$117.00 per share in cash for which a fairness opinion was rendered.

All plan participants and their beneficiaries were treated as 100% vested on January 1, 2021. All participant distributions, including those due to participants at December 31, 2020 and those due to participants with pending diversification elections, were paid at the \$117.00 per share value. For plan participants and their beneficiaries that failed to return their distribution forms or could not be located, the balances were rolled to an IRA designated by the Plan Administrator (Blue Ridge ESOP Associates). The ESOP has an agreement with Millennium Trust to manage this process.

11) Subsequent Events

Management evaluated events and transactions that occurred after the balance sheet date for potential recognition and disclosure through July 26, 2022, the date on which the financial statements were available to be issued.

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SPONSOR'S EIN 56-1669702
PLAN NUMBER 002
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2021

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(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value

No assets held at year end

STAUNTON CAPITAL, INC. EMPLOYEES STOCK OWNERSHIP PLAN
SPONSOR'S EIN 56-1669702
PLAN NUMBER 003
Schedule H, Line 4j
Schedule of Reportable Transactions
Year Ended December 31, 2021

13

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Identity of	Description of asset (include interest	Purchase price	Selling price	Lease rental	Expense incurred	Cost of	Current value	Net gain
party involved	rate and maturity in case of a loan)				with transaction	asset	of asset on	or (loss)
							transaction date	
Staunton Capital, Inc.	Common Stock		10,104,120			8,124,943	10,104,120	\$ 1,979,177

STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN
SPONSOR'S EIN 56-1669702
PLAN NUMBER 002
Schedule H, Line 4i
Schedule of Assets (Held at End of Year)
December 31, 2020

14

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(d) Cost	(e) Current value
*	Staunton Capital, Inc.	Common Stock	\$ 8,131,560	\$ 6,742,125
*	Financial Institution	Checking Cash	2,078	2,078
*	Reliance Trust Account	Checking Cash	267	267
			<u>\$ 8,133,905</u>	<u>\$ 6,744,470</u>

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 2021 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>12/31/2021</u>	
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) _____
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II Basic Plan Information —enter all requested information		
1a Name of plan STAUNTON CAPITAL, INC. EMPLOYEE STOCK OWNERSHIP PLAN	1b Three-digit plan number (PN) ▶	002
1c Effective date of plan 01/01/2008		
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) STAUNTON CAPITAL, INC. P.O. Box 2718 High Point NC 27261	2b Employer Identification Number (EIN) 56-1669702 2c Plan Sponsor's telephone number 336-855-9993 2d Business code (see instructions) 337000	

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		<u>04/25/22</u>	Joseph Gordon
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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

Form 5500 (2021)
v. 201209

3a Plan administrator's name and address ☒ 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 7 4 4
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) 4 6 4
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
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: 2I 2P 2Q 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) (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)

Filing Authorization
For the 2021 Form 5500

Name of Plan: Staunton Capital, Inc. Employee Stock Ownership Plan
EIN / PN: 56-1669702
Plan Year Ending: 12/31/2021

PART I Authorization of Practitioner to Electronically Sign and File

I hereby authorize Blue Ridge ESOP Associates to electronically sign and file the above-named return/report through EFAST2.

I understand that in granting this authority:

- I/we must manually sign and date page 1 of the Form 5500 and provide a scanned copy of that signature page to Blue Ridge ESOP Associates before the electronic filing can be initiated;
- Blue Ridge ESOP Associates will retain a copy of this written authorization in its records;
- Blue Ridge ESOP Associates will notify the individual(s) signing below as plan administrator/employer about any inquiries and information it receives from EFAST2, DOL, IRS, or PBGC regarding this annual return/report; and
- A copy of my signature, as it appears on page 1 of the Form 5500 will be included with the return/report posted by the Department of Labor on the Internet for public disclosure.
- Blue Ridge ESOP Associates shall not be deemed an administrator or other fiduciary with respect to any Plan solely on account of the services performed under this authorization.

This authorization is applicable only to the filing for the above-named Plan and applies only for Plan year end stated above.

Plan Administrator:  Date: 04/25/22
Employer/Plan Sponsor (if not the Plan Administrator): TRUSTEE Date: _____

PART II Acknowledgement of Receipt of Authorization

On behalf of Blue Ridge ESOP Associates, I hereby certify that the firm will use the authority granted only for the express purposes described above; that the firm will not disclose confidential information to any parties other than the DOL, as required for EFAST filing; and that the firm will take reasonable steps to assure that confidential information provided by the Plan Administrator or Plan Sponsor is protected from unauthorized disclosure.

For Blue Ridge ESOP Associates: _____ Date: _____
(signature and title)

The designated service provider must retain this authorization.
Do not submit this form to the DOL unless requested to do so.

Schedule H, Line 4j
Schedule of Reportable Transactions

Name of Plan: ►	Staunton Capital, Inc. Employee Stock Ownership Plan	Three-digit plan number: ►	002
Employer Identification Number (EIN): ►	56-1669702		
For the plan year beginning/ending: ►	1/1/2021-12/31/2021		

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Staunton Capital, Inc.	Common Stock		10,104,120			8,124,943	10,104,120	1,979,177