

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>ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN & TRUST</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>01/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>01/01/2006</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>ALLIANCE DEFENDING FREEDOM</u> <u>15100 N 90TH ST</u> <u>SCOTTSDALE, AZ 85260-2901</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>54-1660459</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>480-444-0020</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>541110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>54-1660459</u>	2c Plan Sponsor's telephone number <u>480-444-0020</u>	2d Business code (see instructions) <u>541110</u>	
2b Employer Identification Number (EIN) <u>54-1660459</u>					
2c Plan Sponsor's telephone number <u>480-444-0020</u>					
2d Business code (see instructions) <u>541110</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.	11/02/2022	KELVIN COCHRAN
	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. 210624

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	373
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)	290
a(2) Total number of active participants at the end of the plan year		6a(2)	320
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	102
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	422
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	422
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	328
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: 2E 2F 2G 2J 2K 2T 3D			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2021
		This Form is Open to Public Inspection.

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021		
A Name of plan ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN & TRUST	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 ALLIANCE DEFENDING FREEDOM	D Employer Identification Number (EIN) 54-1660459	

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

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
PAYCHEX SECURITIES CORPORATION	225 KENNETH DRIVE ROCHESTER, NY 14623
16-1486352	

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

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

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

LEVELIZED COMPENSATION ADVISOR

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 15	INVESTMENT ADVISORY	106777	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☒

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

PAYCHEX, INC.

911 PANORAMA TRAIL S
ROCHESTER, NY 14625

16-1124166

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 15	RECORDKEEPER	43478	Yes ☐ No ☒	Yes ☐ No ☒		Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

Part I Service Provider Information (continued)

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

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

Part II Service Providers Who Fail or Refuse to Provide Information

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

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

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE 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>ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN & TRUST</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALLIANCE DEFENDING FREEDOM</u>	D Employer Identification Number (EIN) <u>54-1660459</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	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	99074
(2) Participant contributions.....	1b(2)	89420	49959
(3) Other	1b(3)	40406	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	853530	545824
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	134296	162206
(9) Value of interest in common/collective trusts.....	1c(9)	0	0
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	18947105	23519698
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)	0	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	
(2) Employer real property.....	1d(2)	0	
e Buildings and other property used in plan operation	1e	0	
f Total assets (add all amounts in lines 1a through 1e)	1f	20064757	24376761

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	20064757	24376761
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	848740	
(B) Participants	2a(1)(B)	1476421	
(C) Others (including rollovers).....	2a(1)(C)	228120	
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2553281
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	34	
(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)	6720	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		6754
(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)	2011899	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		2011899
(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)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		0
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1960691
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		6532625
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2068906	
(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)		2068906
f Corrective distributions (see instructions).....	2f		0
g Certain deemed distributions of participant loans (see instructions).....	2g		0
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	43697	
(3) Investment advisory and management fees.....	2i(3)	108018	
(4) Other.....	2i(4)	0	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		151715
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2220621
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		4312004
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: CAPIN CROUSE, LLP

(2) EIN: 36-3990892

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		500000
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?		X	
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?		X	
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.)	X		
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.)		X	
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.		X	
4n		X	

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 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.
---	--	---

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN & TRUST	B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 ALLIANCE DEFENDING FREEDOM	D Employer Identification Number (EIN) 54-1660459

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
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): 16-1470238	
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

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

Schedule R (Form 5500) 2021
v. 201209

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 _____



ALLIANCE DEFENDING
FREEDOM
FOR FAITH. FOR JUSTICE.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

**ALLIANCE DEFENDING FREEDOM 401(K)
PROFIT SHARING PLAN AND TRUST**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust
Scottsdale, Arizona

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021 and 2020, the related statement of changes in net assets available for benefits for the year ended December 31, 2021 and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification from a qualified institution as of December 31, 2021, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the 2021 Financial Statements* section of our report

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying 2021 financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 2021 Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the 2021 financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is 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.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements* section of our report, our objectives are to obtain reasonable assurance about whether the 2021 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may 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 GAAS, 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the 2021 financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

Plan Administrator
Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust
Scottsdale, Arizona

Auditors' Responsibilities for the Audit of the 2021 Financial Statements, continued

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.

Other Matter—Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i—Schedule of Assets Held at End of Year as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter—Auditor's Report on the 2020 Financial Statements

We were engaged to audit the statement of net assets available for benefits of the Plan as of December 31, 2020. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by the Plan's trustee. Our audit report, dated September 27, 2021, indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the information certified by the Plan's trustee were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Capin Crouse LLP

Colorado Springs, Colorado
October 13, 2022

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Statements of Net Assets Available for Benefits

	December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS:		
Investments, at fair value	<u>\$ 24,099,978</u>	<u>\$ 19,840,635</u>
Plan receivables:		
Employer contributions	99,074	89,420
Employee contributions	49,959	40,406
Notes receivable from participants	<u>162,206</u>	<u>134,296</u>
	<u>311,239</u>	<u>264,122</u>
Net Assets Available for Benefits	<u><u>\$ 24,411,217</u></u>	<u><u>\$ 20,104,757</u></u>

See notes to financial statements

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2021

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in investments	\$ 1,960,691
Interest and dividends	2,011,933
	<u>3,972,624</u>

Interest on notes receivable from participants	<u>6,720</u>
--	--------------

Contributions:

Participant	1,476,421
Employer	848,740
Rollovers	228,120
	<u>2,553,281</u>

Total Additions	<u>6,532,625</u>
-----------------	------------------

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	2,074,450
Administrative expenses	<u>151,715</u>

Total Deductions	<u>2,226,165</u>
------------------	------------------

Change in Net Assets Available for Benefits	4,306,460
---	-----------

Net Assets Available for Benefits, Beginning of Year	<u>20,104,757</u>
--	-------------------

Net Assets Available for Benefits, End of Year	<u><u>\$ 24,411,217</u></u>
--	-----------------------------

See notes to financial statements

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

1. DESCRIPTION OF THE PLAN:

The following brief description of the Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan adopted by Alliance Defending Freedom (the Employer) on January 1, 2006. Employees over age 21, with three months of service, are eligible to participate in the Plan, except for employees covered by terms of a collective bargaining agreement, nonresident aliens, and employees from merger or acquisition as described in the Internal Revenue Code (IRC) Section 410(b)(6)(C). The Plan is subject to the provisions of the Employee Retirement Security Act of 1974 (ERISA). The Plan administrator is responsible for the oversight of the Plan.

CONTRIBUTIONS

The Plan includes a salary deferral arrangement allowed under Section 401(k) of the IRC. Eligible participants are permitted to elect to have a percentage, limited by Plan provisions, of their compensation contributed as pre-tax 401(k) or Roth contributions to the Plan. Participants who have attained age 50, before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of contributions into various investment options offered by the Plan. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

The Employer provides a safe harbor employer matching contribution equal to a percentage of the participant's compensation. For the year ended December 31, 2021, the safe harbor match was 100% of the participant's contribution up to 4% of the participant's eligible compensation. The Plan also provides for a discretionary employer profit sharing contribution for those actively employed on the last day of the Plan year and those that have 500 hours or more of service during the Plan year. For the year ended December 31, 2021, no discretionary profit sharing contributions were approved. Contributions are subject to certain limitations.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the allocations of (a) participant and employer contributions and (b) the Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled, is the benefit that can be provided from the participant's vested account.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

1. DESCRIPTION OF THE PLAN, continued:

VESTING

Participants are immediately vested in their contributions and employer matching contributions, plus actual earnings thereon. Vesting in the employer discretionary profit sharing contribution, plus earnings thereon, is subject to a graded vesting schedule. A participant is 100% vested after six years of credited service.

PARTICIPANT LOANS

Participants may borrow from their pre-tax elective deferral contribution accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 95% of the 50% vested account balance limit. The notes are secured by the balance in the participant's account and bear interest at a rate at 1% over prime rate, at the time the loan was taken. Principal and interest are paid ratably through payroll deductions.

PAYMENT OF BENEFITS

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual or monthly installments over an agreed upon period as defined. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Upon proof to the satisfaction of the Plan administrator of an immediate and heavy financial need, amounts contributed may be withdrawn for hardship purposes.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared on the accrual basis of accounting.

ESTIMATES

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

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NOTES RECEIVABLE FROM PARTICIPANTS

Participant loans are reported as notes receivable from participants in the statement of net assets available for benefits. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions once a distributable event occurs, as defined in the plan document. Interest rates range between 4.25% and 6.5%.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

ADMINISTRATIVE EXPENSES

The Plan paid administrative fees of \$151,715 during the year ended December 31, 2021. All other administrative expenses, such as accounting fees, were paid by the Employer.

3. INFORMATION PREPARED AND CERTIFIED BY QUALIFIED INSTITUTION:

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the DOL's *Rules and Regulations for Reporting and Disclosure* under ERISA. Accordingly, Mid-Atlantic Trust Company, a qualified institution, has certified the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits and the supplemental Schedule H, line 4i-Schedule of Assets (Held at End of Year) and the related investment activity reflected in the statement of changes in net assets available for benefits.

4. FAIR VALUE MEASUREMENTS:

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The Plan uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. As of December 31, 2021 and 2020, all investments were mutual funds and measured using Level 1 inputs. The fair value of mutual funds are based on quoted prices in active markets for identical assets.

Changes in Valuation Techniques: None.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2021, are reported in net appreciation in fair value of investments.

5. PLAN TERMINATION:

Although it has not expressed any intent to do so, the Employer 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.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

6. TAX STATUS:

The Plan is placing reliance on an opinion letter dated April 10, 2014, received from the IRS on the prototype plan indicating that the Plan is qualified under Section 401 of the IRC and is therefore not subject to tax under current income tax law. The prototype plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is designed in compliance with the applicable requirements of the IRC. Certain operational errors were identified that, if not corrected, could impact the tax-exempt status of the Plan. The Plan administration is undertaking corrective action and believes the Plan and related trust will retain its tax-exempt status.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The following is a reconciliation of investments, at fair value, benefits paid to participants, and net assets available for benefits per the financial statements to the Form 5500:

	December 31,	
	2021	2020
Investments, at fair value per financial statements	\$ 24,099,978	\$ 19,840,635
Adjustment for distributions approved but not paid	(34,456)	(40,000)
Investments, at fair value per Form 5500	<u>\$ 24,065,522</u>	<u>\$ 19,800,635</u>
Net assets available for benefits per financial statements	\$ 24,411,217	\$ 20,104,757
Adjustment for distributions approved but not paid	(34,456)	(40,000)
Net assets available for benefits per Form 5500	<u>\$ 24,376,761</u>	<u>\$ 20,064,757</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2021:

Benefits paid to participants per financial statements	\$ 2,074,450
Adjustment for distributions approved but not paid	(5,544)
Benefits paid to participants per Form 5500	<u>\$ 2,068,906</u>
Change in net assets available for benefits per financial statements	\$ 4,306,460
Adjustment for distributions approved but not paid	5,544
Change in net assets available for benefits per Form 5500	<u>\$ 4,312,004</u>

Distributions are recorded when paid according to GAAP. The Form 5500 recognizes distributions when they are approved.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

8. **RISKS AND UNCERTAINTIES:**

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

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Plan for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

9. **PARTIES-IN-INTEREST:**

The Plan investments are held by Mid Atlantic Trust Company. PayChex is the third-party administrator designated by the Plan. Therefore, certain transactions with these parties qualify as party-in-interest transitions.

10. **SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through October 13, 2022, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL SCHEDULE

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Schedule H, Line 4i–Schedule of Assets (Held at End of Year)

Employer Identification Number 54-1660459

Plan 001

December 31, 2021

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value
	Federated U.S. Treasury Cash Reserves Inst	545,825.520 shares	\$ 545,826
	Invesco Equally-Weighted S&P 500 Fund Class R	8,839.100 shares	691,440
	American Funds American Mutual Fund Class R-3	7,683.478 shares	413,303
	BlackRock Equity Dividend Fund R Shares	34,425.489 shares	752,885
	Columbia Seligman Global Tech Fund Class R	48,855.170 shares	3,368,102
	Columbia Select Large Cap Value Fund Class R	54,423.443 shares	1,628,894
	Fidelity Advisor Leveraged Co Stk M	10,044.396 shares	535,366
	Franklin Utilities Fund Class R	26,971.889 shares	590,954
	Franklin Growth Opportunities Fund Class R	7,004.995 shares	376,799
	Goldman Sachs Small Cap Value Fund Class R	10,489.660 shares	524,063
	Ivy Large Cap Growth Fund Class R	8,635.433 shares	428,084
	ClearBridge Appreciation Fund Class I	68,146.287 shares	2,257,005
	ClearBridge Small Cap Value Fund Class I	15,692.082 shares	343,029
	ClearBridge Dividend Strategy Fund Class C	47.666 shares	1,446
	ClearBridge Small Cap Growth Fund Class R	11,733.041 shares	513,555
	MFS Research R2	2,283.630 shares	132,131
	MFS Value R2	1,642.437 shares	88,297
	MFS Global Equity R2	10,010.924 shares	569,021
	Nationwide Mid Cap Market Index Fund Class R	10,392.820 shares	187,071
	Nuveen Dividend Value Fund Class A	15,103.771 shares	231,088
	Nuveen Mid Cap Growth Opport Fund Class A	16,571.494 shares	460,190
	Nuveen Small Cap Growth Opport Fund Class A	11,450.434 shares	305,383
	T. Rowe Price Growth Stock Fund R Class	9,581.901 shares	944,871
	PGIM Jennison Nat Resources Fund - Class R	1,148.115 shares	49,392
	T. Rowe Price Equity Income Fund Class R	1,384.812 shares	49,618
	T. Rowe Price Blue Chip Growth Fund	6,049.563 shares	1,082,624
	T. Rowe Price All-Cap Opportunities Fund	10,444.345 shares	713,035
	Vanguard Energy Fund Investor Shares	7,388.329 shares	285,559
	Vanguard Selected Value Fund Investor Shares	20,098.826 shares	622,920
	Victory Sycamore Est Value Fund Class R	11,897.066 shares	580,339

(continued)

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Schedule H, Line 4i–Schedule of Assets (Held at End of Year) Employer Identification Number 54-1660459 Plan 001

December 31, 2021
(continued)

(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	(e) Current Value
	Invesco Opp Developing Markets Fund Class R	7,357.658 shares	335,583
	AB Global Real Estate Invst Fund Class R	3,875.554 shares	67,745
	BlackRock Advantage Intl Fund R Shares	8,228.612 shares	152,510
	Federated Intl Leaders Fund Class R6 Shares	5,292.768 shares	196,785
	Templeton Foreign Fund Class R	5,029.572 shares	35,408
	Fed Hermes Short-Intermediate Gov Fund Class R	5,798.371 shares	63,492
	Fidelity Advisor Government Income M	9,018.003 shares	95,861
	Franklin Strategic Income Fund Class R	33,905.970 shares	316,682
	MFS Corporate Bond R2	10,838.963 shares	159,441
	PIMCO Real Return Fund Class R	10,432.599 shares	128,530
	PIMCO Intl Bd Fd (U.S. Dollar-Hedged) Class R	8,396.102 shares	90,174
	Putnam Mortgage Securities Fund Class R	8,994.000 shares	101,543
	MFS Conservative Allocation R2	66,447.252 shares	1,174,787
	T. Rowe Price Retirement 2010 Fund Class R	360.505 shares	6,233
	T. Rowe Price Retirement 2045 Fund Class R	8,309.413 shares	186,713
	T. Rowe Price Retirement 2035 Fund Class R	824.791 shares	18,434
	T. Rowe Price Retirement 2025 Fund Class R	2,950.000 shares	56,375
	T. Rowe Price Retirement 2015 Fund Class R	52,060.091 shares	753,310
	T. Rowe Price Retirement 2020 Fund Class R	5,450.582 shares	118,332
	T. Rowe Price Retirement 2050 Fund Class R	19,275.964 shares	366,822
	T. Rowe Price Retirement 2030 Fund Class R	3,415.934 shares	98,447
	T. Rowe Price Retirement 2040 Fund Class R	9,223.220 shares	304,481
			24,099,978
*	Participant loans	Rates ranging from 4.25-6.50%	162,206
			\$ 24,262,184

* Column (a) reserved for party-in-interest to the Plan.



ALLIANCE DEFENDING
FREEDOM
FOR FAITH. FOR JUSTICE.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

**ALLIANCE DEFENDING FREEDOM 401(K)
PROFIT SHARING PLAN AND TRUST**

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INDEPENDENT AUDITORS' REPORT

To the Plan Administrator
Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust
Scottsdale, Arizona

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2021 Financial Statements

We have performed an audit of the financial statements of Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C). The financial statements comprise the statement of net assets available for benefits as of December 31, 2021 and 2020, the related statement of changes in net assets available for benefits for the year ended December 31, 2021 and the related notes to the financial statements (2021 financial statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2021 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA (ERISA Section 103(a)(3)(C) audit). As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency (qualified institution), provided that the investment information is prepared and certified to by the qualified institution in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Management has obtained a certification from a qualified institution as of December 31, 2021, and for the year then ended, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2021 Financial Statements

In our opinion, based on our audit and the procedures performed as described in the *Auditor's Responsibilities for the Audit of the 2021 Financial Statements* section of our report

- the amounts and disclosures in the accompanying 2021 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP); and
- the certified investment information in the accompanying 2021 financial statements agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 2021 Financial Statements* section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion on the 2021 financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

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

Management is 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.

Auditors' Responsibilities for the Audit of the 2021 Financial Statements

Except as described in the *Scope and Nature of the ERISA Section 103(a)(3)(C) Audit of the 2021 Financial Statements* section of our report, our objectives are to obtain reasonable assurance about whether the 2021 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may 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 GAAS, 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 the 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 the Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2021 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the 2021 financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

Plan Administrator
Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust
Scottsdale, Arizona

Auditors' Responsibilities for the Audit of the 2021 Financial Statements, continued

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.

Other Matter—Supplemental Schedule Required by ERISA

The supplemental schedule of Schedule H, Line 4i—Schedule of Assets Held at End of Year as of December 31, 2021 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the 2021 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 financial statements or to the 2021 financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

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

In our opinion:

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- the certified investment information in the supplemental schedule agrees to, or is derived from, in all material respects, the information prepared and certified by a qualified institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter—Auditor's Report on the 2020 Financial Statements

We were engaged to audit the statement of net assets available for benefits of the Plan as of December 31, 2020. As permitted by 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information certified by the Plan's trustee. Our audit report, dated September 27, 2021, indicated that (a) because of the significance of the information that we did not audit, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion and accordingly, we did not express an opinion on the 2020 financial statements, and (b) the form and content of the information included in the 2020 financial statements other than that derived from the information certified by the Plan's trustee were presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Capin Crouse LLP

Colorado Springs, Colorado
October 13, 2022

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Statements of Net Assets Available for Benefits

	December 31,	
	<u>2021</u>	<u>2020</u>
ASSETS:		
Investments, at fair value	<u>\$ 24,099,978</u>	<u>\$ 19,840,635</u>
Plan receivables:		
Employer contributions	99,074	89,420
Employee contributions	49,959	40,406
Notes receivable from participants	<u>162,206</u>	<u>134,296</u>
	<u>311,239</u>	<u>264,122</u>
Net Assets Available for Benefits	<u><u>\$ 24,411,217</u></u>	<u><u>\$ 20,104,757</u></u>

See notes to financial statements

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Statement of Changes in Net Assets Available for Benefits

Year Ended December 31, 2021

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Net appreciation in investments	\$ 1,960,691
Interest and dividends	2,011,933
	<u>3,972,624</u>

Interest on notes receivable from participants	<u>6,720</u>
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Contributions:

Participant	1,476,421
Employer	848,740
Rollovers	228,120
	<u>2,553,281</u>

Total Additions	<u>6,532,625</u>
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DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Benefits paid to participants	2,074,450
Administrative expenses	<u>151,715</u>

Total Deductions	<u>2,226,165</u>
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Change in Net Assets Available for Benefits	4,306,460
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Net Assets Available for Benefits, Beginning of Year	<u>20,104,757</u>
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Net Assets Available for Benefits, End of Year	<u><u>\$ 24,411,217</u></u>
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See notes to financial statements

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

1. DESCRIPTION OF THE PLAN:

The following brief description of the Alliance Defending Freedom 401(k) Profit Sharing Plan and Trust (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan adopted by Alliance Defending Freedom (the Employer) on January 1, 2006. Employees over age 21, with three months of service, are eligible to participate in the Plan, except for employees covered by terms of a collective bargaining agreement, nonresident aliens, and employees from merger or acquisition as described in the Internal Revenue Code (IRC) Section 410(b)(6)(C). The Plan is subject to the provisions of the Employee Retirement Security Act of 1974 (ERISA). The Plan administrator is responsible for the oversight of the Plan.

CONTRIBUTIONS

The Plan includes a salary deferral arrangement allowed under Section 401(k) of the IRC. Eligible participants are permitted to elect to have a percentage, limited by Plan provisions, of their compensation contributed as pre-tax 401(k) or Roth contributions to the Plan. Participants who have attained age 50, before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the investment of contributions into various investment options offered by the Plan. Contributions are subject to certain Internal Revenue Service (IRS) limitations.

The Employer provides a safe harbor employer matching contribution equal to a percentage of the participant's compensation. For the year ended December 31, 2021, the safe harbor match was 100% of the participant's contribution up to 4% of the participant's eligible compensation. The Plan also provides for a discretionary employer profit sharing contribution for those actively employed on the last day of the Plan year and those that have 500 hours or more of service during the Plan year. For the year ended December 31, 2021, no discretionary profit sharing contributions were approved. Contributions are subject to certain limitations.

PARTICIPANT ACCOUNTS

Each participant's account is credited with the allocations of (a) participant and employer contributions and (b) the Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled, is the benefit that can be provided from the participant's vested account.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

1. DESCRIPTION OF THE PLAN, continued:

VESTING

Participants are immediately vested in their contributions and employer matching contributions, plus actual earnings thereon. Vesting in the employer discretionary profit sharing contribution, plus earnings thereon, is subject to a graded vesting schedule. A participant is 100% vested after six years of credited service.

PARTICIPANT LOANS

Participants may borrow from their pre-tax elective deferral contribution accounts a minimum of \$1,000, up to a maximum equal to the lesser of \$50,000 or 95% of the 50% vested account balance limit. The notes are secured by the balance in the participant's account and bear interest at a rate at 1% over prime rate, at the time the loan was taken. Principal and interest are paid ratably through payroll deductions.

PAYMENT OF BENEFITS

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual or monthly installments over an agreed upon period as defined. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Upon proof to the satisfaction of the Plan administrator of an immediate and heavy financial need, amounts contributed may be withdrawn for hardship purposes.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of the Plan are prepared on the accrual basis of accounting.

ESTIMATES

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

INVESTMENT VALUATION AND INCOME RECOGNITION

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

NOTES RECEIVABLE FROM PARTICIPANTS

Participant loans are reported as notes receivable from participants in the statement of net assets available for benefits. Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions once a distributable event occurs, as defined in the plan document. Interest rates range between 4.25% and 6.5%.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

ADMINISTRATIVE EXPENSES

The Plan paid administrative fees of \$151,715 during the year ended December 31, 2021. All other administrative expenses, such as accounting fees, were paid by the Employer.

3. INFORMATION PREPARED AND CERTIFIED BY QUALIFIED INSTITUTION:

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the DOL's *Rules and Regulations for Reporting and Disclosure* under ERISA. Accordingly, Mid-Atlantic Trust Company, a qualified institution, has certified the completeness and accuracy of all investments reflected on the accompanying statements of net assets available for benefits and the supplemental Schedule H, line 4i-Schedule of Assets (Held at End of Year) and the related investment activity reflected in the statement of changes in net assets available for benefits.

4. FAIR VALUE MEASUREMENTS:

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The Plan uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. As of December 31, 2021 and 2020, all investments were mutual funds and measured using Level 1 inputs. The fair value of mutual funds are based on quoted prices in active markets for identical assets.

Changes in Valuation Techniques: None.

Gains and losses (realized and unrealized) included in changes in net assets available for benefits for the year ended December 31, 2021, are reported in net appreciation in fair value of investments.

5. PLAN TERMINATION:

Although it has not expressed any intent to do so, the Employer 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.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

6. TAX STATUS:

The Plan is placing reliance on an opinion letter dated April 10, 2014, received from the IRS on the prototype plan indicating that the Plan is qualified under Section 401 of the IRC and is therefore not subject to tax under current income tax law. The prototype plan has been amended since receiving the opinion letter. However, the Plan administrator believes that the Plan is designed in compliance with the applicable requirements of the IRC. Certain operational errors were identified that, if not corrected, could impact the tax-exempt status of the Plan. The Plan administration is undertaking corrective action and believes the Plan and related trust will retain its tax-exempt status.

7. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500:

The following is a reconciliation of investments, at fair value, benefits paid to participants, and net assets available for benefits per the financial statements to the Form 5500:

	December 31,	
	2021	2020
Investments, at fair value per financial statements	\$ 24,099,978	\$ 19,840,635
Adjustment for distributions approved but not paid	(34,456)	(40,000)
Investments, at fair value per Form 5500	<u>\$ 24,065,522</u>	<u>\$ 19,800,635</u>
Net assets available for benefits per financial statements	\$ 24,411,217	\$ 20,104,757
Adjustment for distributions approved but not paid	(34,456)	(40,000)
Net assets available for benefits per Form 5500	<u>\$ 24,376,761</u>	<u>\$ 20,064,757</u>

The following is a reconciliation of changes in net assets available for benefits per the financial statements to the Form 5500 for the year ended December 31, 2021:

Benefits paid to participants per financial statements	\$ 2,074,450
Adjustment for distributions approved but not paid	(5,544)
Benefits paid to participants per Form 5500	<u>\$ 2,068,906</u>
Change in net assets available for benefits per financial statements	\$ 4,306,460
Adjustment for distributions approved but not paid	5,544
Change in net assets available for benefits per Form 5500	<u>\$ 4,312,004</u>

Distributions are recorded when paid according to GAAP. The Form 5500 recognizes distributions when they are approved.

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Notes to Financial Statements

December 31, 2021 and 2020

8. **RISKS AND UNCERTAINTIES:**

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

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Plan for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

9. **PARTIES-IN-INTEREST:**

The Plan investments are held by Mid Atlantic Trust Company. PayChex is the third-party administrator designated by the Plan. Therefore, certain transactions with these parties qualify as party-in-interest transitions.

10. **SUBSEQUENT EVENTS:**

Subsequent events have been evaluated through October 13, 2022, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTAL SCHEDULE

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Schedule H, Line 4i–Schedule of Assets (Held at End of Year)

Employer Identification Number 54-1660459

Plan 001

December 31, 2021

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par, or maturity value	(e) Current Value
	Federated U.S. Treasury Cash Reserves Inst	545,825.520 shares	\$ 545,826
	Invesco Equally-Weighted S&P 500 Fund Class R	8,839.100 shares	691,440
	American Funds American Mutual Fund Class R-3	7,683.478 shares	413,303
	BlackRock Equity Dividend Fund R Shares	34,425.489 shares	752,885
	Columbia Seligman Global Tech Fund Class R	48,855.170 shares	3,368,102
	Columbia Select Large Cap Value Fund Class R	54,423.443 shares	1,628,894
	Fidelity Advisor Leveraged Co Stk M	10,044.396 shares	535,366
	Franklin Utilities Fund Class R	26,971.889 shares	590,954
	Franklin Growth Opportunities Fund Class R	7,004.995 shares	376,799
	Goldman Sachs Small Cap Value Fund Class R	10,489.660 shares	524,063
	Ivy Large Cap Growth Fund Class R	8,635.433 shares	428,084
	ClearBridge Appreciation Fund Class I	68,146.287 shares	2,257,005
	ClearBridge Small Cap Value Fund Class I	15,692.082 shares	343,029
	ClearBridge Dividend Strategy Fund Class C	47.666 shares	1,446
	ClearBridge Small Cap Growth Fund Class R	11,733.041 shares	513,555
	MFS Research R2	2,283.630 shares	132,131
	MFS Value R2	1,642.437 shares	88,297
	MFS Global Equity R2	10,010.924 shares	569,021
	Nationwide Mid Cap Market Index Fund Class R	10,392.820 shares	187,071
	Nuveen Dividend Value Fund Class A	15,103.771 shares	231,088
	Nuveen Mid Cap Growth Opport Fund Class A	16,571.494 shares	460,190
	Nuveen Small Cap Growth Opport Fund Class A	11,450.434 shares	305,383
	T. Rowe Price Growth Stock Fund R Class	9,581.901 shares	944,871
	PGIM Jennison Nat Resources Fund - Class R	1,148.115 shares	49,392
	T. Rowe Price Equity Income Fund Class R	1,384.812 shares	49,618
	T. Rowe Price Blue Chip Growth Fund	6,049.563 shares	1,082,624
	T. Rowe Price All-Cap Opportunities Fund	10,444.345 shares	713,035
	Vanguard Energy Fund Investor Shares	7,388.329 shares	285,559
	Vanguard Selected Value Fund Investor Shares	20,098.826 shares	622,920
	Victory Sycamore Est Value Fund Class R	11,897.066 shares	580,339

(continued)

ALLIANCE DEFENDING FREEDOM 401(K) PROFIT SHARING PLAN AND TRUST

Schedule H, Line 4i–Schedule of Assets (Held at End of Year)

Employer Identification Number 54-1660459

Plan 001

December 31, 2021

(continued)

(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	(e) Current Value
	Invesco Opp Developing Markets Fund Class R	7,357.658 shares	335,583
	AB Global Real Estate Invst Fund Class R	3,875.554 shares	67,745
	BlackRock Advantage Intl Fund R Shares	8,228.612 shares	152,510
	Federated Intl Leaders Fund Class R6 Shares	5,292.768 shares	196,785
	Templeton Foreign Fund Class R	5,029.572 shares	35,408
	Fed Hermes Short-Intermediate Gov Fund Class R	5,798.371 shares	63,492
	Fidelity Advisor Government Income M	9,018.003 shares	95,861
	Franklin Strategic Income Fund Class R	33,905.970 shares	316,682
	MFS Corporate Bond R2	10,838.963 shares	159,441
	PIMCO Real Return Fund Class R	10,432.599 shares	128,530
	PIMCO Intl Bd Fd (U.S. Dollar-Hedged) Class R	8,396.102 shares	90,174
	Putnam Mortgage Securities Fund Class R	8,994.000 shares	101,543
	MFS Conservative Allocation R2	66,447.252 shares	1,174,787
	T. Rowe Price Retirement 2010 Fund Class R	360.505 shares	6,233
	T. Rowe Price Retirement 2045 Fund Class R	8,309.413 shares	186,713
	T. Rowe Price Retirement 2035 Fund Class R	824.791 shares	18,434
	T. Rowe Price Retirement 2025 Fund Class R	2,950.000 shares	56,375
	T. Rowe Price Retirement 2015 Fund Class R	52,060.091 shares	753,310
	T. Rowe Price Retirement 2020 Fund Class R	5,450.582 shares	118,332
	T. Rowe Price Retirement 2050 Fund Class R	19,275.964 shares	366,822
	T. Rowe Price Retirement 2030 Fund Class R	3,415.934 shares	98,447
	T. Rowe Price Retirement 2040 Fund Class R	9,223.220 shares	304,481
			24,099,978
*	Participant loans	Rates ranging from 4.25-6.50%	162,206
			\$ 24,262,184

* Column (a) reserved for party-in-interest to the Plan.