

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: a multiemployer plan, a multiple-employer plan, a single-employer plan, a DFE, the first return/report, the final return/report, an amended return/report, a short plan year return/report.
B This return/report is: the first return/report, the final return/report, an amended return/report, a short plan year return/report.
C If the plan is a collectively-bargained plan, check here.
D Check box if filing under: Form 5558, automatic extension, special extension, the DFVC program.
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: US DEFAULT GROUP, INC. PROFIT SHARING PLAN
1b Three-digit plan number (PN): 002
1c Effective date of plan: 01/01/2015
2a Plan sponsor's name, mailing address, city or town, state or province, country, and ZIP or foreign postal code.
2b Employer Identification Number (EIN): 27-1120007
2c Plan Sponsor's telephone number: 561-241-6901
2d Business code (see instructions): 541110

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

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

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes rows for employer/plan sponsor and DFE.

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

Form 5500 (2024) v. 240311



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

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**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.

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**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 2024 Form M-1 annual report. If the plan was not required to file the 2024 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 \_\_\_\_\_

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<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2024 or fiscal plan year beginning <b>01/01/2024</b> and ending <b>12/31/2024</b>	
<b>A</b> Name of plan <b>US DEFAULT GROUP, INC. PROFIT SHARING PLAN</b>	<b>B</b> Three-digit plan number (PN) <b>▶</b> <b>002</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>US DEFAULT GROUP, INC.</b>	<b>D</b> Employer Identification Number (EIN) <b>27-1120007</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
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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.

		(a) Beginning of Year	(b) End of Year
<b>Assets</b>			
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	0	4350000
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	368338	0
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>		
<b>(3)</b> Other .....	<b>1b(3)</b>		
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>		
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>	549	585
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>		
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	4341600	0
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	4710487	4350585
<b>Liabilities</b>			
g Benefit claims payable.....	1g	12716	0
h Operating payables.....	1h		
i Acquisition indebtedness.....	1i	4963003	0
j Other liabilities.....	1j	134613	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	5110332	0
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f).....	1l	-399845	4350585

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)	4867796	
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		4867796
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	36	
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		36
(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)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)	4350000	
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)	4341600	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		8400
(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)		

	(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts .....	2b(6)	
(7) Net investment gain (loss) from pooled separate accounts .....	2b(7)	
(8) Net investment gain (loss) from master trust investment accounts .....	2b(8)	
(9) Net investment gain (loss) from 103-12 investment entities .....	2b(9)	
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	2b(10)	
<b>c</b> Other income .....	2c	0
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	2d	4876232

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:		
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	
(2) To insurance carriers for the provision of benefits .....	2e(2)	
(3) Other.....	2e(3)	
(4) Total benefit payments. Add lines 2e(1) through (3) .....	2e(4)	0
<b>f</b> Corrective distributions (see instructions) .....	2f	
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	2g	
<b>h</b> Interest expense.....	2h	125802
<b>i</b> Administrative expenses:		
(1) Salaries and allowances .....	2i(1)	
(2) Contract administrator fees .....	2i(2)	
(3) Recordkeeping fees .....	2i(3)	
(4) IQPA audit fees .....	2i(4)	
(5) Investment advisory and investment management fees .....	2i(5)	
(6) Bank or trust company trustee/custodial fees .....	2i(6)	
(7) Actuarial fees .....	2i(7)	
(8) Legal fees .....	2i(8)	
(9) Valuation/appraisal fees .....	2i(9)	
(10) Other trustee fees and expenses .....	2i(10)	
(11) Other expenses.....	2i(11)	
(12) Total administrative expenses. Add lines 2i(1) through (11) .....	2i(12)	0
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	2j	125802

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line 2j from line 2d.....	2k	4750430
<b>l</b> 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: CBIZ CPAS P.C.

(2) EIN: 43-1947695

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
<b>a</b> 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.)		X	
<b>b</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.)		X	
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
<b>e</b> Was this plan covered by a fidelity bond?	X		1000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
<b>g</b> 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	
<b>h</b> 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	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
<b>j</b> 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		
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan?		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  Yes  No  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> 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 \_\_\_\_\_.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Retirement Plan Information</b>  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).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2024</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

<b>A</b> Name of plan <u>US DEFAULT GROUP, INC. PROFIT SHARING PLAN</u>	<b>B</b> Three-digit plan number (PN) ▶	<u>002</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <u>US DEFAULT GROUP, INC.</u>	<b>D</b> Employer Identification Number (EIN) <u>27-1120007</u>	

<b>Part I</b>	<b>Distributions</b>
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**All references to distributions relate only to payments of benefits during the plan year.**

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	<u>0</u>
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**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  
EIN(s): \_\_\_\_\_

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year .....	<b>3</b>	
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<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
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**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? .....  Yes  No  N/A  
**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_  
**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>	
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>	
<b>c</b> 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).....	<b>6c</b>	

**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

<b>Part III</b>	<b>Amendments</b>
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**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....  Increase  Decrease  Both  No

<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....  Yes  No

**11 a** Does the ESOP hold any preferred stock? .....  Yes  No

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) .....  Yes  No

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? .....  Yes  No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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:

<b>a</b> The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14b</b>	
<b>c</b> The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	<b>14c</b>	

**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:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

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

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</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.....	<b>16b</b>	

**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) and (b):

**a** Enter the percentage of plan assets held as:  
 Public Equity: \_\_\_\_\_% Private Equity: \_\_\_\_\_% Investment-Grade Debt and Interest Rate Hedging Assets: \_\_\_\_\_%  
 High-Yield Debt: \_\_\_\_\_% Real Assets: \_\_\_\_\_% Cash or Cash Equivalents: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:  
 0-5 years  5-10 years  10-15 years  15 years or more

**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: \_\_\_\_\_

**Part VII IRS Compliance Questions**

**21a** Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?  Yes  No

**21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).  
 Design-based safe harbor method  
 "Prior year" ADP test  
 "Current year" ADP test  
 N/A

**22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q703995A.

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK)  
OWNERSHIP PLAN**

**FINANCIAL STATEMENTS**

Years Ended December 31, 2024 (in liquidation)  
and 2023 (ongoing)



## INDEPENDENT AUDITORS' REPORT

ESOP Committee and the Trustee  
US Default Group, Inc. Profit Sharing Plan  
(f/k/a US Default Group, Inc. Employee Stock Ownership Plan)

### Opinion

We have audited the financial statements of US Default Group, Inc. Profit Sharing Plan (f/k/a US Default Group, Inc. Employee Stock Ownership Plan) ("the Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets (deficit) available for benefits as of December 31, 2024 (in liquidation) and 2023 (ongoing), the related statements of changes in net assets (deficit) available for benefits for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets (deficit) available for benefits of the Plan as of December 31, 2024 (in liquidation) and 2023 (ongoing), and the changes in its net assets (deficit) available for benefits for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter – Plan Termination and Liquidation Basis of Accounting

As further discussed in Notes 1 and 7 to the financial statements, the Board of Directors of US Default Group, Inc., the Plan's sponsor, voted on December 31, 2024 to terminate the Plan. In accordance with accounting principles generally accepted in the United States of America, the Plan has changed its basis of accounting from the ongoing plan basis used in presenting the 2023 financial statements to the liquidation basis used in presenting the 2024 financial statements. Our opinion is not modified with respect to that matter.

### Responsibilities of Management for the Financial Statements

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

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 these 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.

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 Schedules Required by ERISA**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of December 31, 2024, and schedule of reportable transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor'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

financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

*CBIZ CPAs P.C.*

Boca Raton, Florida  
April 3, 2025

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**STATEMENTS OF NET ASSETS (DEFICIT)  
AVAILABLE FOR BENEFITS**

December 31, 2024 and 2023

	December 31, 2024 (in liquidation)		December 31, 2023 (ongoing)	
	Allocated	Unallocated	Allocated	Unallocated
		Total		Total
<b><u>ASSETS</u></b>				
Investments at fair value	\$ -	\$ -	\$ 3,755,874	\$ 585,726
Employer contributions receivable	-	-	233,725	134,613
Cash and cash equivalents	4,350,585	4,350,585	549	-
<b>TOTAL ASSETS</b>	<b>4,350,585</b>	<b>4,350,585</b>	<b>3,990,148</b>	<b>720,339</b>
				<b>4,710,487</b>
<b><u>LIABILITIES</u></b>				
Interest payable	-	-	-	134,613
Loans payable	-	-	-	4,963,003
Other liabilities	-	-	12,716	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>12,716</b>	<b>-</b>
			<b>12,716</b>	<b>5,097,616</b>
<b>NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS</b>	<b>\$ 4,350,585</b>	<b>\$ -</b>	<b>\$ 3,977,432</b>	<b>\$ (4,377,277)</b>
			<b>\$</b>	<b>\$ (399,845)</b>

See Notes to Financial Statements

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

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

Years Ended December 31, 2024 and 2023

	December 31, 2024 (in liquidation)		December 31, 2023 (ongoing)	
	Allocated	Unallocated	Allocated	Unallocated
<b>ADDITIONS:</b>				
Net appreciation in the fair value of investments	\$ 8,400	\$ -	\$ 8,400	\$ -
Interest income	36	-	36	27
Employer contributions	-	4,867,796	233,725	134,613
Allocation of 4,047 and 230 shares of Company stock, during 2024 and 2023, respectively, at estimated fair value	585,726	-	63,023	-
<b>TOTAL ADDITIONS</b>	<b>594,162</b>	<b>4,867,796</b>	<b>296,775</b>	<b>134,613</b>
<b>DEDUCTIONS:</b>				
Net depreciation in the fair value of investments	-	-	3,379,041	526,959
Allocation of 4,047 and 230 shares of Company stock, during 2024 and 2023, respectively, at estimated fair value	-	585,726	-	63,023
Distributions	-	-	12,303	-
Administrative expenses	-	-	415	-
Interest expense	-	125,802	-	134,613
<b>TOTAL DEDUCTIONS</b>	<b>-</b>	<b>711,528</b>	<b>3,391,759</b>	<b>724,595</b>
<b>NET INCREASE (DECREASE)</b>	<b>594,162</b>	<b>4,156,268</b>	<b>(3,094,984)</b>	<b>(589,982)</b>
<b>TRANSFER FOR DEBT SERVICE</b>	<b>(221,009)</b>	<b>221,009</b>	<b>(225,591)</b>	<b>225,591</b>
<b>NET ASSETS (DEFICIT) AVAILABLE FOR BENEFITS</b>	<b>3,977,432</b>	<b>(4,377,277)</b>	<b>7,298,007</b>	<b>(4,012,886)</b>
Beginning of year	\$ 4,350,585	\$ -	\$ 4,350,585	\$ (4,377,277)
End of year	\$ -	\$ 4,350,585	\$ 3,977,432	\$ (4,377,277)

See Notes to Financial Statements

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 1 ) Description of plan**

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

**General** - The Plan is a defined contribution plan sponsored by US Default Group, Inc. and Subsidiary (the “Company”) for the benefit of its employees that includes the employees of US Default Group, Inc. and Indy Default Group, LLC. The Plan also covers the employees of RAS Title, LLC, who is an affiliate of the Company. The Plan was designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code (“IRC”) of 1986, as amended. Effective December 31, 2024, the Plan is no longer an employee stock ownership plan, as defined in IRC Section 4975(e)(7) or Section 407(d)(6) of the Employee Retirement Income Security Act of 1974 (“ERISA”) and was converted at such time into, and shall thereafter constitute, solely as a tax qualified profit-sharing plan that is intended to satisfy the applicable requirements of IRC Section 401(a). Effective December 31, 2024, the Plan changed its name to US Default Group, Inc. Profit Sharing Plan. The Plan is subject to the provisions of ERISA.

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

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

The notes payable were collateralized by unallocated shares of Company Stock and were guaranteed by the Company. The lender had no rights against shares of Company Stock once they are allocated to participants in accordance with the terms of the Plan. Accordingly, the financial statements of the Plan as of December 31, 2023 and for the year then ended, present separately the assets and liabilities and changes therein pertaining to the accounts of employees with rights in allocated Company Stock (allocated) and Company Stock not yet allocated to employees (unallocated). As of December 31, 2023, 25,953 of Company Stock were allocated to participants.

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 1 ) Description of plan (continued)**

**General (continued)**

In December 2024, the notes payable were paid in full at which time all Company Stock was allocated to participants.

On December 31, 2024, the Company repurchased all Company shares owned by the Plan for \$4,350,000 (\$145 per share) and on December 31, 2024, the Company's Board of Directors voted to terminate the Plan, effective immediately.

Effective December 31, 2024, the Plan was amended to:

- Terminate the Plan effective December 31, 2024 (the "Termination Date").
- No employee is eligible to enter (re-enter) the Plan on or after the Termination Date.
- Employer contributions cease effective the Termination Date.
- Participant account balances become fully vested as of the Termination Date.
- Unallocated forfeitures as of December 31, 2024 are allocated in the same manner as employer contributions.
- Revising the terms of certain required minimum distributions.

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

**Contributions** - The Company was obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equaled the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loans. Employee contributions were not permitted. For the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), the Company elected to make contributions totaling \$4,867,796 and \$368,338, respectively. There were no dividends paid during the years ended December 31, 2024 (in liquidation) and 2023 (ongoing).

**Payment of benefits** - Distributions on account of death, disability or retirement were made in a lump sum in the Plan year following the event. Distributions for other separations from service commence in the fifth Plan year following the separation from service. The amount to be distributed was based upon the immediately preceding valuation date. Distributions were made in cash or, if a participant elects, in the form of Company stock plus cash for any fractional shares of stock. Under the provisions of the Plan, the Company was obligated to repurchase participant shares which had been distributed under the terms of the Plan if the shares were not publicly traded or if the shares were subject to trading limitations. Effective December 31, 2024, the Plan was amended and any distributions after the Termination Date are governed by this amendment.

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 1 ) Description of plan (continued)**

**Payment of benefits (continued)**

Effective December 31, 2024, unless an earlier distribution is required by law, the Company directs the Trustee to distribute accounts in cash to all participants and beneficiaries, as the case may be, or to an eligible retirement plan designated by such participants and beneficiaries, pursuant to the following:

- i. As soon as practicable following the Termination Date, a distribution of 100% of the estimated account balance of each participant and beneficiary who makes an affirmative election to receive such distribution, within the 30-day window following receipt of a distribution packet, shall be made in a single lump-sum payment; and
- ii. Upon the completion of the termination process, including distribution of any assets held in the Trust, the Trust shall be deemed to be terminated and cease to exist.

**Administrative expenses** - As provided in the Plan agreement, administrative expenses were to be paid either by the Plan or by the Company. For the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), the Company elected to pay primarily all the operating expenses for the Plan.

**Voting rights** - Each participant was entitled to exercise voting rights attributable to the shares allocated to his or her account and was notified by the Trustee prior to the time that such rights were to be exercised. The Trustee was not permitted to vote any allocated share for which instructions had not been given by a participant. The Trustee was required, however, to vote any unallocated shares on behalf of the collective best interest of Plan participants and beneficiaries.

**Participant accounts** - The Plan is a defined contribution plan under which a separate individual account is established for each participant. Each participant's account was credited as of the last day of each Plan year with an allocation of shares of the Company Stock released by the Trustee from the unallocated account and forfeitures of terminated participants' non-vested accounts. Allocations were based on each participant's eligible compensation, relative to total eligible compensation. Plan earnings were allocated to each participant's account based on the ratio of the participant's account balance.

**Vesting** - If a participant's employment with the Company ended for any reason other than retirement, permanent disability, or death, they would vest in the balances in their account based on total years of service. A participant was 100% vested after three years of credited service. Effective December 31, 2024, all participants are 100% vested.

**Put option** - Under Federal income tax regulations, the employer stock that was held by the Plan and its participants and was not readily tradable on an established market, or was subject to trading limitations, included a put option.

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 1 ) Description of plan (continued)**

**Put option (continued)**

The put option was a right to demand that the Company buy any shares of its stock distributed to participants for which there was no market. The put price was representative of the current appraised value of the stock. The Company could pay for the purchase with interest over a period not exceeding five years. The purpose of the put option was to ensure that the participant has the ability to ultimately obtain cash.

**Diversification** - Diversification was offered to participants close to retirement so that they may have the opportunity to move part of the value of their investment in Company Stock into investments which were more diversified. Participants who were at least age 55 with at least 10 years of participation in the Plan could elect to diversify a portion of their account. Diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant could diversify up to 25% of the number of post-1986 shares allocated to his or her account, less any shares previously diversified. In the sixth year, the percentage changed to 50%. For participants who elected to diversify, the Plan would distribute cash. The election to diversify was made subsequent to year-end based upon the shares of employer stock in the participant's account at year-end.

**Forfeitures** - Plan forfeitures were allocated to each participant's account based upon the relation of the participant's eligible compensation to total eligible compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2024 (in liquidation) and 2023 (ongoing) totaled approximately \$0 and \$7,000, respectively.

**( 2 ) Summary of significant accounting policies**

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

When a decision to terminate a plan is made, accounting principles generally accepted in the United States of America require the year-end financial statements to be prepared on the liquidation basis of accounting, applied at the date the decision to terminate the plan is made and for all periods thereafter. The change to liquidation basis of accounting for the Plan in 2024 did not result in a material change in the value of the Plan's assets since the Plan reported assets at current market values.

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

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 2 ) Summary of significant accounting policies (continued)**

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

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

**( 3 ) Investments**

Approximately all Plan assets are held in cash as of December 31, 2024 (in liquidation). The Plan’s investments at December 31, 2023 (ongoing) are presented in the following table:

	<b>December 31, 2023</b>	
	<b>(ongoing)</b>	
	Allocated	Unallocated
Company stock:		
Number of shares	25,953	4,047
Cost	\$ 43,687,503	\$ 6,812,497
Estimated fair value	\$ 3,755,874	\$ 585,726

**( 4 ) Fair value measurements**

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

Level 1            Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 4 ) Fair value measurements (continued)**

- Level 2      Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in inactive markets; inputs other than quoted market prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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

*Company stock:* The Company Stock held by the Plan as of December 31, 2023 was valued at fair value based upon an independent appraisal. The valuation model considered historical and projected cash flow or historical net income, return on assets, return on equity, market comparables, and fair value of Company assets and liabilities and assigned a weighting to each valuation method based on the nature and reliability of the inputs and assumptions. Market multiples were derived from comparable publicly traded equities or published trading multiples for private equity investments in similar companies. These multiples may be adjusted for current operating performance, geographic location, future expectations, financing and sales transactions, and other investment-specific factors and cash flows. The December 31, 2023 valuation methodology was modified to weight partially on a capitalized cash flow method and partially on a discounted cash flow method. The estimated fair value at December 31, 2023 also included a discount for lack of marketability given the illiquid nature of the Company Stock.

Approximately all Plan assets are held in cash as of December 31, 2024 (in liquidation). The following table set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2023 (ongoing):

	<b>Investments at Fair Value as of December 31, 2023 (ongoing)</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Common Stock	\$ -	\$ -	\$ 4,341,600	\$ 4,341,600

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 4 ) Fair value measurements (continued)**

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

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing):

	<b>Level 3 Investments Year Ended December 31, 2024 (in liquidation)</b>	<b>Level 3 Investments Year Ended December 31, 2023 (ongoing)</b>
Balance, beginning of year	\$ 4,341,600	\$ 8,247,600
Realized gain and unrealized (depreciation) in estimated fair value	8,400	(3,906,000)
Sale of shares	(4,350,000)	-
Balance, end of year	\$ -	\$ 4,341,600
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	\$ -	\$ (3,906,000)

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

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

December 31, 2023 (ongoing)			
Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs
US Default Group, Inc. Common Stock	\$ 4,350,585	50% capitalized cash flow method 50% discounted cash flow method	Historical earnings Long term growth rate Capitalization rate Weighted average cost of capital Marketability discount Projected EBITDA Terminal growth rate Discount rate Company specific risk premium

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 4 ) Fair value measurements (continued)**

The valuation process involved Plan management's selection of an appraiser under an annual contract. Plan management accumulated the data for the appraiser from historical and projected financial information of the Company. The appraiser prepared a report of estimated per share value that a participant would receive upon distribution, which Plan management, along with the Trustee, reviewed in detail, discussed and approved.

The preceding methodology described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believed its valuation methodology was appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. Additionally, the Plan Sponsor is heavily dependent on revenues from one entity, which shares some common ownership with the Plan Sponsor. A change in revenue from that entity could have a significant impact on the fair value of the shares held by the Plan.

**( 5 ) Loans payable**

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

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

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

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 5 ) Loans payable (continued)**

For the year ended December 31, 2024 (in liquidation), the Company elected to make a contribution of \$4,867,796 which was used to pay in full the remaining outstanding loan balance, including accrued interest. For the year ended December 31, 2023 (ongoing), the Company elected to make a contribution of \$368,338 which was primarily used for a debt service payment. The Company elected not to make any dividend payments during the years ended December 31, 2024 (in liquidation) and 2023 (ongoing).

During the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), the Company made interest payments totaling approximately \$260,000 and \$140,000, respectively, and had accrued interest payable as of December 31, 2024 (in liquidation) and 2023 (ongoing) totaling \$0 and \$134,613, respectively. All contributions and interest accrued for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing) were paid by the due date of the corporate tax returns.

**( 6 ) Related party and party-in-interest transactions and concentration**

Plan investments were comprised entirely of shares of Company Stock purchased using proceeds of loans guaranteed by the Company. This investment, transactions in this investment and the loan qualified as party-in-interest transactions. During the years ended December 31, 2024 (in liquidation) and 2023 (ongoing), the Plan incurred interest expense of approximately \$126,000 and \$135,000, respectively, to the Company. Approximately all administrative expenses were paid by the Company for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing). The Plan also had service providers that qualified as parties-in-interest under ERISA.

On December 31, 2024, the Plan entered into a stock redemption agreement (the "Stock Redemption Agreement") with the Company to sell all 30,000 Company shares owned by the Plan for \$145 per share for an aggregate sale price of \$4,350,000. On December 31, 2024, the Plan received \$4,350,000 in cash for the sale of the Company shares. The Stock Redemption Agreement includes a claw-back provision if certain events occur within twelve months of December 31, 2024.

**( 7 ) Plan termination**

On December 31, 2024, the Board of Directors of the Company elected to terminate the Plan effective December 31, 2024, at which time all participants' account balances became 100% vested. As a result, the net assets of the Plan are allocated as prescribed by ERISA and its related regulations. Net assets at December 31, 2024 (in liquidation) represented participant balances to be distributed to the participants.

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**NOTES TO FINANCIAL STATEMENTS**

**( 8 ) Tax status**

The Internal Revenue Service (“IRS”) had determined and informed the Company by letter dated March 23, 2018, that the Plan was designed in accordance with the applicable sections of the IRC. Although the Plan was amended since receiving the determination letter, the Committee believed that the Plan and related trust were designed and being operated in compliance with the applicable requirements of the IRC.

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

**( 9 ) Reconciliation of financial statements to Schedule H of Form 5500**

Certain line items reported on Schedule H of Form 5500 for the years ended December 31, 2024 (in liquidation) and 2023 (ongoing) have been reclassified in the financial statements. These reclassifications have no impact on net assets (deficit) available for benefits at December 31, 2024 (in liquidation) and 2023 (ongoing), or changes in net assets (deficit) available for benefits for the years then ended.

**( 10 ) Subsequent events**

The Plan has evaluated subsequent events through April 3, 2025, which is the date the financial statements were available to be issued. No significant matters were identified for disclosure during this evaluation.

<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  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).  <b>▶ Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089  <div style="font-size: 24pt; font-weight: bold; text-align: center;">2024</div>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2024 or fiscal plan year beginning <u>01/01/2024</u> and ending <u>12/31/2024</u>	
<b>A</b>	This return/report is for: <input type="checkbox"/> a multiemployer plan <input type="checkbox"/> a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
	<input checked="" type="checkbox"/> a single-employer plan <input type="checkbox"/> a DFE (specify) _____
<b>B</b>	This return/report is: <input type="checkbox"/> the first return/report <input type="checkbox"/> the final return/report
	<input type="checkbox"/> an amended return/report <input type="checkbox"/> a short plan year return/report (less than 12 months)
<b>C</b>	If the plan is a collectively-bargained plan, check here. . . . . <input type="checkbox"/>
<b>D</b>	Check box if filing under: <input type="checkbox"/> Form 5558 <input type="checkbox"/> automatic extension <input type="checkbox"/> the DFVC program
	<input type="checkbox"/> special extension (enter description)
<b>E</b>	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . <input type="checkbox"/>

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information	
<b>1a</b>	Name of plan US Default Group, Inc. Profit Sharing Plan	<b>1b</b> Three-digit plan number (PN) ▶ 002
		<b>1c</b> Effective date of plan 01/01/2015
<b>2a</b>	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)  US Default Group, Inc.  6409 Congress Avenue, Suite 100  Boca Raton FL 33487	<b>2b</b> Employer Identification Number (EIN) 27-1120007
		<b>2c</b> Plan Sponsor's telephone number 561-241-6901
		<b>2d</b> Business code (see instructions) 541110

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

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

<b>SIGN HERE</b>		<u>5/15/25</u>	Mitch Gevinson
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
<b>SIGN HERE</b>	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
<b>SIGN HERE</b>	Signature of DFE	Date	Enter name of individual signing as DFE

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

**SCHEDULE H, LINE 4j – SCHEDULE OF REPORTABLE TRANSACTIONS**

Year Ended December 31, 2024

EIN: 27-1120007  
Plan Number: 002

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
US Default Group, Inc.	30,000 shares of common stock, no par value	N/A	\$ 4,350,000	N/A	\$ -	\$ 50,500,000	\$ 4,350,000	\$ 8,400

**US DEFAULT GROUP, INC. PROFIT SHARING PLAN  
(F/K/A US DEFAULT GROUP, INC. EMPLOYEE STOCK OWNERSHIP PLAN)**

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

December 31, 2024

EIN: 27-1120007  
Plan Number: 002

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of investments including maturity date, rate of interest, collateral, par, or maturity value	Cost	Current value
*	GreatBanc Trust Company	Cash	-	\$ 4,350,000
*	GreatBanc Trust Company	Money market fund	-	585
				<u>\$ 4,350,585</u>

\* Party-in-interest as defined by ERISA