

American Bar Endowment  
Board of Directors Meeting

Monday, February 5<sup>th</sup> thru  
Wednesday, February 7<sup>th</sup>,  
2024

.....  
21c Museum Hotel  
Louisville, Kentucky  
.....

**Our Vision:** Making a difference by funding programs that advance the American justice system and the rule of law.

**Our Mission:** To generate funds for the support of law-related public service, educational, and research programs by building and sustaining the Legal Legacy Fund and by sponsoring insurance and other programs for the legal profession that encourage charitable giving.



**American Bar Endowment  
Board of Directors Meeting  
21c Museum Hotel, Louisville, KY  
February 5-7, 2023**

**Attendee List**

**ABE Board of Directors, Staff & Guests**

Howard & Lynn Vogel  
Lora Livingston & Eric Kennedy  
Hilarie Bass  
Tommy Preston, Jr\*  
Michelle & Darrell Behnke  
Robert & Cindy Carlson  
Lee Edmon  
Michael Flowers\*  
Tracy & Elizabeth Giles  
Roberta Liebenberg  
Patricia Refo & Don Bivens  
Kevin Shepherd  
Fritz Langrock  
Deborah Enix-Ross  
Dana Sturtz Hill  
Izzy Eisen  
Bonnie Czarny  
Pam Bronkema

**American Bar Association**

Mary Smith\*  
Orlando Lucero & Barbara "BJ" Jones  
Lea Snipes

**American Bar Foundation**

Jimmy & Debby Goodman  
Mark Suchman

**Marquette Assoc.**

Jamie Wesner

**SASS**

David Armstrong

**YLD Liaison**

Tamara Nash  
Josephine Bahn

**ZeisGroup**

Joe Schonhoff

*\*virtual*



**ABE BOARD OF DIRECTORS MEETING**

**FEBRUARY 5 - FEBRUARY 7, 2024**

**21c MUSEUM HOTEL**

**LOUISVILLE, KENTUCKY**

**SCHEDULE OF ALL EVENTS & MEETINGS**

*Note that the Zoom link will be used for the duration of the meeting (both Tuesday and Wednesday)*

**Zoom information:**

Join Zoom link

<https://zoom.us/j/4296497704?pwd=UDiYTDc4UjZPdZdFQ25DQllaZDFDZz09>

Meeting ID: 429 649 7704

Passcode: 122020

**Please note that the recommended attire for all events and meetings is business/smart casual**

All below times are listed in the Eastern Time Zone

**Monday, February 5**

**6:00pm-9:00pm**                      **Welcome Reception and Dinner**  
21c Museum Hotel Atrium

*We will gather and celebrate in a unique environment. The evening will feature a Bourbon tasting as well as a plated dinner.*

**Tuesday, February 6**

**8:00am-10:00am**                      **ABE Board, Spouses/Guests Breakfast**  
21c Museum Hotel Atrium

**9:00am-12:00pm**                      **ABE Board Meeting**  
Gallery 2, 21c Museum Hotel

		<u>Action</u>	<u>Page No.</u>
<b>9:00am-10:00am</b>	<b>A. <u>General Matters</u></b>		
	1. Report of the ABE President - Howard H. Vogel	Information	Oral
	a. Approval of the Minutes - October 31 - November 4, 2023	Approval	4
	b. Officers' Nominating Committee	Information	Oral
	2. Report of the ALIP President - Hon. Lee Edmon	Information	Oral
	3. Report of the ABA President - Mary Smith	Information	Oral
	4. Report of the ABA Treasurer - Fritz Langrock	Information	Oral
	5. Report of YLD Liaison and Rep - Jo Bahn & Tamara Nash	Information	Oral
	6. Report of the ABE Executive Director - Dana Sturtz Hill	Information	Oral
	7. Report of A-E-C Pension Plan Committee Liaison - Randy D. Noel	Information	Oral

		<u>Action</u>	<u>Page No.</u>
<b>10:00am-11:00am</b>	<b>B. <u>Communications Committee</u></b> - Tommy D. Preston, Jr., Chair, Tracy A. Giles, Vice Chair, Roberta D. Liebenberg, Patricia Refo, Fritz Langrock, and Deborah Enix-Ross		
	1. Report from ZeisGroup - Joseph Schonhoff	Information	13
<b>11:00am-12:00pm</b>	<b>C. <u>Insurance Committee</u></b> - Michael E. Flowers, Chair, Randall D. Noel, Vice Chair, Trish Refo Michelle A. Behnke, Robert M. Carlson, Hon. Lee S. Edmon, Hon. Lora J. Livingston		
	1. Approval of the Minutes (January 19, 2024)	Approval	28
	2. NYL Level Term Pricing Update	Information	30
	3. Report on Reserves - David Armstrong	Information	38
<b>12:00pm-1:00pm</b>	<b>ABE Board, Spouses/Guests Lunch</b> 21c Museum Hotel Atrium		
<b>1:00pm-5:00pm</b>	<b>ABE Board of Directors Meeting</b> Gallery 2, 21c Museum Hotel		
<b>1:00pm-2:30pm</b>	<b>D. <u>Grants Committee</u></b> - Hon. Lora J. Livingston, Chair, Patricia Lee Refo, Vice Chair, Josephine M. Bahn, Bob Carlson, Roberta D. Liebenberg, Kevin L. Shepherd	<u>Action</u>	<u>Page No.</u>
	1. FJE Report - Orlando Lucero and Lea Snipes	Information	39
	2. ABF Report - Jimmy Goodman and Mark Suchman	Information	55
	3. Report of the Grants Committee Chair - Hon. Lora J. Livingston		
	a. Guidelines for Grant Calculations, Overview, History	Information	74
	b. Current Year Submissions from ABF & FJE	Information	80
	c. Minutes - January 25, 2024 <b>[Executive Session]</b>	Approval	Handout
	d. Funds Available for Grants <b>[Executive Session]</b>	Approval	Handout
	e. Opportunity Grants <b>[Executive Session]</b>	Approval	Handout
<b>2:30pm-4:00pm</b>	<b>E. <u>Strategic Planning Committee</u></b> - Tracy A. Giles, Chair, Hon. Lee S. Edmon, Vice Chair, Michelle A. Behnke, Michael E. Flowers, Hilarie Bass, Hon. Lora J. Livingston, and Tommy D. Preston, Jr.		
	1. Status of Discussions with the ABA - Howard Vogel	Discussion	Oral
<b>6:30pm-9:30pm</b> 5 minute walk	<b>Reception and Dinner</b> Vincenzo's 150 S. Fifth Street, Louisville		

*The Tuesday Reception & Dinner will be held at Vincenzo's, Louisville's authentic Italian dining experience. Vincenzo's is Louisvilles' only authentic, fine-dining Italian restaurant. Owned and operated by Sicilian brothers, Vincenzo and Agostino.*

**Wednesday, February 7**

**8:00am-10:00am**                      **ABE Board, Spouses/Guests Breakfast**  
21c Museum Hotel Atrium

**9:00am-12:00pm**                      **ABE Board Meeting**  
Gallery 2, 21 c Museum Hotel

	<u>Action</u>	<u>Page No.</u>
<b>9:00am-12:00pm</b> <b>F. <u>Finance Committee</u></b> - Michelle A. Behnke, Chair, Hilarie Bass, Vice Chair, Tracy A. Giles, Michael Flowers, Kevin Shepherd, and Randall D. Noel		
1. Report of the Finance Committee Chair - Michelle A. Behnke	Information	Oral
a. Approval of the Minutes - January 26, 2024	Approval	200
2. Marquette Report - Jamie Wesner		
a. Market Tracker and Investment Report	Information	258
b. ABA Portfolio Update	Information	260
c. 2024 Market Preview	Information	271
3. Dividend Report - Dana Sturtz Hill	Discussion	334
4. Budget To-Date Summary - Dana Sturtz Hill	Discussion	339
5. Audited Financial Statements & 990 Filings - Michelle A. Behnke	Approval	343
6. Proposal for Business Process Review - Michelle A. Behnke	Approval	486

**ADJORNMENT**

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**Minutes of the Board of Directors Meeting  
American Bar Endowment  
October 31 – November 4, 2023**

The Board of Directors of the American Bar Endowment met October 31 – November 4, 2023 at the Ritz Carlton, Laguna Niguel in Dana Point, California. Directors in attendance for all or a portion of the meeting were:

Howard H. Vogel, <i>President</i>	Tracy A. Giles
Hon. Lora J. Livingston, <i>Vice President</i>	Kevin L. Shepherd
Hilarie Bass, <i>Treasurer</i>	Michael E. Flowers
Randall D. Noel	Robert M. Carlson
Michelle A. Behnke	Patricia Lee Refo
Fritz Langrock, <i>Ex-Officio</i> *	

Also present, either in person or virtually, for all or a portion of the meeting were:

Dave Armstrong, <i>SASS Associates</i>	Dana Sturtz Hill, <i>ABE Executive Director</i>
Ching Wang, <i>New York Life</i>	Izzy Eisen, <i>ABE Staff</i>
Daniel J. O'Brien, <i>New York Life</i>	Mary Smith, <i>ABA President</i> *
Maridsa Otero, <i>New York Life</i>	Orlando Lucero, <i>FJE Chair</i>
Raghu Rangachar, <i>New York Life</i> *	Lea Snipes, <i>FJE Director</i>
Joe Schoenhoff, <i>ZeisGroup</i>	Amanda Bernardo, <i>FJE Presenter</i>
James Wesner, <i>Marquette Associates</i>	Jimmy Goodman, <i>ABF President</i>
Tamara Nash, <i>YLD Liaison</i> *	Mark Suchman, <i>ABF Executive Director</i>
Josephine A. Bahn, <i>YLD Representative</i>	Susan Shapiro, <i>ABF Presenter</i>

*\*Virtual Attendee*

**I. Reports**

A. Report of the ABE President

Mr. Vogel welcomed the members and guests of the Board to Dana Point. He noted that at the end of his opening remarks, the Board would enter an executive session. He then directed the Board members' attention to the conflict-of-interest form in the binder. All Board members need to review and sign this document. Mr. Vogel then called for an executive session.

B. Report of the ABA President

Ms. Smith, ABA President, greeted the room and thanked everyone for being there. She reported on two focal initiatives for the ABA, the taskforce on AI and the Taskforce on American Democracy. She also mentioned the Presidential Speakers series the ABA is producing. She then noted an emphasis on the sustainable business taskforce, as well as the strategic planning process recently initiated by the BOG. Additionally, the ABA Finance Committee is proposing a dues increase for the ABA.

### C. Report of the ABA Treasurer

Mr. Langrock, ABA Treasurer, then presented a report on the ABA's finances. The ABA brought in 11 million more than budgeted and 25 million more than last year in revenue. This was driven by success in grants. Despite grants that were ~\$22 million favorable to budget and prior, the ABA had an operating deficit of 10 million as of August 2023

### D. Report of the ABE Executive Director

Ms. Hill, ABE Executive Director, next presented her report on the ABE. Ms. Hill started by thanking everyone for their support during her transition into the executive director role. Ms. Hill then spoke about her focus areas for the staff and office. One area of focus was the ABE's upcoming move from floor 14 to floor 17 and how to use this transition to explore basic business process improvements. Changes that have been discussed are decreasing the use of paper, methods of transitioning to a better hybrid model, modernizing the staff tech setup, and reorganizing the layout of the office.

Ms. Hill also emphasized the cultural philosophies she wants to center in the office. These include transparency, trust, and accountability, staff and Board integration, staff autonomy and empowerment, always assuming positive intent, and giving the staff the opportunity to scale up. Examples of how the office has already begun to shift are increased chatter, people offering to step up, and staff supporting and encouraging each other.

Ms. Hill opened the floor for questions. She clarified that she was not expecting staff to change their hybrid work schedules if they chose not to. She then shared that the space would not be less square footage but that the layout of the floor design would more productively utilize the space.

### E. Report of the YLD Liaison

Ms. Nash, YLD Liaison, then presented her report to the Board. She started by thanking everyone for having her. She reported that the YLD was kicking this year off with a bang, using the theme Welcome Home. The key goals for the YLD this upcoming year are to engage members, engage division leaders, align with the strategic plan, and to lean into constitutional knowledge. Some exciting things coming up for the YLD include public service pop-up initiatives, entering year two of the initiative to build community and provide resources for 1st generation lawyers, expanding the What Do Lawyers Do program, and the Spring Conference. Ms. Nash then spoke to the relationship between the YLD and the ABE, noting the continuation of the partnership.

Ms. Nash then answered any questions in the room. To engage young lawyers in this day and age, there are two focal points. The first is to provide something for every single individual, and the second is to find out how what members and potential members want and need aligns with what the YLD is bringing to the table.

### F. Minutes

Mr. Vogel then directed the attention of the members of the Board to the minutes of the June 14-17, 2023 meeting of the ABE Board of Directors. Noting a couple of other typos, the minutes of the meeting were approved with those corrections.

## II. Committees

### A. Strategic Initiatives Committee

The business of the Committee was conducted in Executive Session.

### B. Communications Committee

Mr. Giles, vice chair of the Communications Committee, noted that the Communications Committee had had a call last week, then introduced Mr. Schonhoff to the room. Mr. Schonhoff then presented the ZeisGroup communications update to the Board. First, he presented the recent performance updates, showcasing the highs in life insurance and disability insurance applications. He then spoke to the success of the No Cost Life Offer launched in May, and the plan to keep applications coming in and keep insureds past the free year.

Next Mr. Schonhoff talked about the New Member Class Pilot. He noted positive results from a West Virginia email campaign, encouraging this method of marketing moving forward in other states. He also noted a lack of results thus far from direct mail, journal print ads, and website banner ads. He then spoke about how to move forward with the New Member Class. A Board member asked about the cost of email ads compared to print ads. Mr. Schonhoff noted that they were generally in the same ballpark. A Board member then asked if ABE should be promoting to mandatory bar states even if the state bar has its own program. Mr. Schonhoff recommended they do, noting that the individual outreach by the ABE would generate more interest due to its personal touch. Mr. Vogel noted that there should not be any issues with pursuing them.

Mr. Schonhoff then spoke about the QuickDecision Disability Pilot, noting that the email campaign had been very successful. Mr. Vogel commented that we should be sure to check on this in a year to see the retention rates following the end of the free period. Mr. Schonhoff then talked about the QuickDecision Combo Offer Development, which is slated to go out later in November. ZeisGroup is building a microsite for this application and is working with New York Life to streamline the application process even further.

Following this, Mr. Schonhoff then spoke about the ABE website and media mix. He noted that website visits remained steady throughout the year until August, when they spike with the opening of the Opportunity Grant cycle. He recommended that ABE capitalize on this spike in upcoming years, mentioning that he would revisit this idea in July. With regards to the media mix, there has been great success with email campaigns, and reduced success with direct mail campaigns. Ms. Bass then asked how often we compare the cost of our products to our competitors. It was noted that pricing would be discussed in depth the following day. A Board member asked about the New Member Class Pilot results, stating that only 2 results had been shared of the 9 or 10 approved states. Mr. Schonhoff replied that a print ad had been run in every state but had not delivered results, and only 2 states so far have shared distribution lists for email campaigns.



### C. Grants Committee

Judge Livingston, chair of the Grants Committee, greeted the room and started the Committee off by introducing the FJE attendants, Mr. Lucero and Ms. Snipes. They each introduced themselves and thanked the ABE for their yearly grant. Mr. Lucero then highlighted three FJE programs: The Center on Children and the Law, ABA Free Legal Answers, and the Death Penalty Representation Project. Mr. Lucero then moved on to talk about the FJE's fundraising landscape. He noted that over 2021-2022 there was a huge spike of giving on an individual level, however giving overall had remained flat.

The FJE is working on a strategic plan to try to increase engagement and inspire donations with their ABA members. This plan has three main goals, to build, strengthen, and improve. The plan will focus on both donor outreach and new member outreach. At the 2023 ABA Giving Day, over \$350,000 has been collected so far and more is expected via direct mail.

Ms. Bernardo, FJE guest speaker, then introduced herself to the room. She then presented the Immigration Justice Project and the work they are doing at the Otay Mesa Detention Center. Following her presentation, the FJE attendees thanked everyone for having them and for ABE's continued generous support. Judge Livingston thanked the FJE attendees for their presentation and for sharing some of the impact that is being accomplished with the ABE grant.

Judge Livingston then introduced the ABF attendees. Mr. Goodman greeted the room, thanked the ABE for their support, and noted that Mr. Suchman had been doing a great job as new ABF director. Mr. Suchman thanked ABE for having them. He continued on to note that the ABE grant is ABF's single largest income source, and that the grant makes up 40% of their 23/24 budget, although the ABF is working to diversify revenue sources. He then highlighted some of the big research projects that the ABF is currently working on.

Ms. Shapiro, ABF guest speaker, then introduced herself to the room. She then presented on the Bankman-Fried cryptocurrency case. A series of questions were asked of Ms. Shapiro from the Board of Directors and others present. Judge Livingston thanked her for her remarks and willingness to come present some of the research findings that the ABE supports through its grant.

Judge Livingston then presented on the topic of Opportunity Grants, stating that the Grant Committee's work would be mainly between the November and February Board meetings. She shared that 144 LOIs and 108 applications were received and reviewed by staff and winnowed down to 57. These 57 will go through 2 phases of review by the Committee, and the resulting highest ranked applications will be presented to the Board at the February meeting. Ms. Hill and Ms. Eisen will calculate the available funds prior to the February meeting. The first phase of review will be done mid-December, the second phase will be done mid-January, and following that the Grants Committee will meet to decide on their final recommendations.

### D. Insurance Committee

Mr. Flowers, chair of the insurance committee, noted that New York Life was hoping to get Board approval on a new insurance pricing plan in an effort to be more price competitive. He also mentioned that they were looking to add a survivorship benefit to the plan without increasing the premiums. Mr. Ching greeted the room, introducing himself and New York Life, as well as speaking to the general insurance market environment.

Mr. O'Brien gave some history on the insurance market and the emergence of level term products in the individual market. He then gave an overview of what is currently offered: 10 and 20 year products with guaranteed rates and QuickDecision 10 year products with a face amount of \$500,000 or below with non-guaranteed rates. New York Life has reported that there is no impact on sales regardless of if a product has a guaranteed rate or a non-guaranteed rate. Having a guaranteed rate requires much higher reserves, and very few companies have a guaranteed product anymore. Mr. O'Brien then proposed ABE move from 3 rate classes to 4, adding a super preferred option. He noted that New York Life had almost never in their entire history increased a non-guaranteed rate. He then walked through the pricing structure and the differences between the guaranteed rates and the non-guaranteed rates. He noted that the impact of moving from 3 rate classes to 4 rate classes was that the highest level of rate class would have substantially lower rates, whereas the second highest level would have rates that increase slightly. Mr. O'Brien then broke down how ABE proposed level term rates would compare with other QuickDecision carriers, showing competitive pricing across the Board. He did note that ABE is slightly less competitive with females. New York Life then made the recommendation to move forward with a 10 and 20 year non-guaranteed product. Judge Livingston asked if New York Life's 50 years of experience with ABE takes into consideration the number of women lawyers now as compared to 50 years ago. Mr. Rangachar replied that they have been factoring in the increase of women in professional services and mortality into their calculations. He also noted that each group is self sustaining. Mr. Vogel then asked about Fabric By Gerber Life, about why they have such low rates in the 35 and 40 range but rather high rates for the older ranges, and how this is different than New York Life's approach. Mr. Rangachar replied that Fabric was targeting a younger demographic as a customer acquisition tool. Fabric specializes in whole life policies, so he assumes they are hoping to transition these people to a whole life product. A Board member then asked if the proposed new rates would receive a market push equal to QuickDecision's market push, and what the marketing strategy for the proposed rates would be. Mr. O'Brien replied that they would be working with ZeisGroup and would be emphasizing better over all rates as well as the option of convenience. Judge Livingston then asked wouldn't this be a good opportunity to target the young lawyers? Ms. Otero noted that they have been targeting the young lawyers with QuickDecision, and will likely target young lawyers with the new rates as well. Mr. Flowers then presented the recommendation from New York Life to go with the level term repricing approach using non-guaranteed rate structure and to take more advantage of the price competitiveness that will give us. Mr. Vogel posed the recommendation from the Insurance Committee to the Board and asked for a motion to approve the recommendation. The motion was seconded and opened for comments and questions. Ms. Behnke requested New York Life share how they came to the conclusion that there is not a difference between guaranteed rate and non-guaranteed rate policies. Mr. O'Brien replied that they performed AB testing with several different groups that were provided different marketing material, promoting either guaranteed or non-guaranteed rate and there was no difference in response rates. Mr. Armstrong commented to keep in mind that we had not yet gotten to the reserve summary and the contingency there. Mr. Vogel then held a vote, all

were in favor and the motion was approved. Mr. O'Brien stated then that they would work out next steps with ABE staff. Ms. Hill confirmed that she would oversee the next steps in office along with New York Life. Ms. Otero agreed, noting that hopefully they would be able to move on this in the first half of 2024.

Ms. Otero then spoke to New York Life's overall finances and operations. She stated they had a great year, noting ABE has a fully funded CSR with a balance of \$12 million. She thanked ABE for being the QuickDecision pilot and for ABE staff's work in getting that running. She mentioned the June approval of a guaranteed issue no cost offer to young lawyers, which has so far been successful, receiving 106 applications. In June Mr. Vogel suggested that a survivor benefit be added to all ABE disability policies. New York Life has researched this and advises that it could be added without any increase of rates. Ms. Otero recommended their industry standard, which is a lump sum of 3 months, which is payable along with the final benefits to the beneficiary. This is New York Life's standard policy provision and with ABE's approval they can easily implement it into ABE policies and began to promote it. Mr. Flowers then presented the recommendation from New York Life to add this enhancement to ABE's disability policies to the board. Mr. Vogel posed the recommendation from the Insurance Committee to the board and asked for a motion to approve the recommendation. A motion was made, seconded and approved with no nays or abstentions. Mr. Armstrong then talked through the reserves as broken down by product and category.

#### E. Finance Committee

Ms. Behnke, chair of the Finance Committee, directed the attention of the members of the Board to the minutes of the July 24, 2023 meeting of the ABE Finance Committee. She highlighted the two action items and requested a motion to approve the minutes. A motion was made, seconded, and approved.

Ms. Behnke noted that while the Marquette materials do have information on evaluating and selecting a fixed income manager, this process would likely be gone into in depth by the Finance Committee at a later date before being brought to the full Board. She then introduced Mr. Wesner, from Marquette Associates. Mr. Wesner started his presentation with an overview of the agenda, noting that he would start with a discussion of the 3Q 2023 market environment, then go to an update of the portfolio performance, concluding with the fixed income search.

He first directed the Board to look at the broad market environment, noting that the last 12 months had been very strong for the capital markets. He explained that 2022 was a challenging year, in large part because the equity markets bottomed in the end of the third quarter, however he noted a very strong 4<sup>th</sup> quarter of 2022 and first two quarters of 2023. He described how 3<sup>rd</sup> quarter numbers for all markets were negative, both in the short term and the long term. October continued this trend, showing as a negative month for equity markets and fixed income markets, although the last few days of October into November was showing positive numbers. He shared that the Federal reserve had met the day prior and decided to not raise rates further. The market responded positively to this, noting that the 10 year Treasury rate, which was at the highest it had been in over 20 years, had begun to come back a bit. He said that rates have been very volatile over the last several years, and that was expected to continue, the key is trying to position

portfolios to withstand that volatility and be in the best position going forward. He then noted that inflation peaked last summer and has come down significantly since then. The Federal Reserve targets inflation at 2% and is waiting before increasing rates further because there's typically a 6-9 month lag between rate increases and inflation decreasing. He noted that the GDP slowed earlier in the year, but more recently, in the third quarter it was surprisingly high at 4.9%. Unemployment has remained exceptionally low at 4%, with 330,000 new jobs created last month. He noted that it was great market conditions showing modest growth, not too strong of a job market so as to push the Federal Reserve to raise rates, and not too weak so as to near a recession era climate. Judge Livingston then asked if the calculations take into consideration things such as extra staff and new jobs created for seasonal holiday shopping? Mr. Wesner replied that seasonal adjustments are made to the employment numbers.

Mr. Wesner shared that it was most likely that rates stay where they are  $\pm 25$  basis points for the next year in terms of short term rates, likely with rate cuts in the later part of 2024. He finds it unlikely that the election year will impact this. Next, he spoke to fixed income, pointing out severely negative returns and a lot of volatility. The long term bonds in the ABE portfolio, 20 and 30 year government bonds, have annualized returns of almost -16% over 3 years, and negative 3% over 5 years. He then noted that while fixed income is highly volatile, the potential yields are significantly higher. Fixed income is a much more friendly tool for use in a portfolio trying to achieve a certain rate of return, so it may benefit ABE to look at fixed income a real yield producing asset class moving forward. Mr. Wesner noted moving forward he would be having more asset allocation conversations with ABE about potentially modestly increasing the exposure to fixed income. Mr. Noel asked why we would not be having conversations like that now in anticipation of the rate coming down. Mr. Wesner replied that there's nothing wrong with moving early and there's nothing wrong with waiting a few quarters, because we don't know where rates are going for sure. In the long term we expect rates to be higher for longer, so yield opportunity is a long term play not a short term phenomenon.

Mr. Wesner then moved on to the equity markets. He noted that a couple quarters ago there were no negative numbers, and now, while there are a few negative numbers in the short term, the long term numbers are exceptionally positive. This is due in large part to equity markets being driven significantly by a few concentrated names, especially in the US, however areas like small cap value are negative for the year. He then discussed the dispersion in terms of different sectors, noting three sectors that jump out in the year to date performance as being significantly positive, with technology at 28%, communication services at 8%, and consumer discretionary at 11%. He then noted the year to date performances of the various quintiles of price to earnings ratio. While one may think that the 5<sup>th</sup> quintile cheapest stocks have higher potential for yield, the priciest 1<sup>st</sup> quintile stocks have vastly outperformed them for most of the last decade. He then pointed out that ten names comprise 30% of the S&P 500 comprises, noting how much influence that gives those ten. Mr. Wesner then spoke to equity valuations by factor, noting a large cap growth with a historically high percentile of priciness and a small cap space with a historically low percentile of priciness. This type of dispersion between valuations in different parts of the market is unusually high, and in such cases will typically revert to the mean sooner or later. With regards to the international equities, Mr. Wesner noted that prices are increasing, although not as much as in the US. The US market has a much higher percentage in technology and growth names and as the growth market outperforms, the US is likely to outperform the international market. Emerging

markets are struggling the most, with several countries trying to become more competitive but not yet taking off. He noted that overall active managers were not having the most success, and that ABE's strategy of partially indexing and partially using active management was a good path to continue.

Mr. Wesner then discussed real estate, pointing out a notable weakness in the office space that would likely continue to impact pricing for the next several quarters. On the flip side, the industrial, multifamily, and other parts of the real estate market have behaved quite resiliently. Hotels are currently a strength due to post COVID travelling. Geographically the South and Southeast in particular continue to be the most resilient. He then noted how much the real estate market has changed over the last 8-9 years, with Office taking up 19% less of the sector composition due to minimal new inventory, and Industrial taking up 20% more, largely due to significant buildup in industrial spaces to support e-commerce.

He then wrapped up the market summary with private equity and private debt. There's still been a lot of demand in private markets in terms of capital flowing in. Private debt is showing yields in the low teens, which is a significant increase from recent years. More importantly, that debt is supported by more equity, meaning there is more capital at risk ahead of it, as opposed to before, when private equity money was impacted by negative incidences first. This means the quality of protections on private debt are that much greater and a nice thing is a couple years ago there was a 7 to 8% yield on private debt and now there is a 12-13% yield. He noted that across the board private debt might be one of the biggest areas to continue to allocate capital, along with private fixed income. Mr. Wesner also noted that they have different funds they can utilize to help relieve some of the filing burdens. Mr. Flowers then noted that the Biden administration had announced they were going to provide financing support for developers converting offices into apartments. He asked do you think there's going to be a high demand for that financing and is that market conversion going to be significant. Mr. Wesner replied that there was potential for a lot of interest there, however converting the plumbing stack set up from an office into residential living spaces is expensive and complex, so there was much doubt that this would provide a quick fix.

Mr. Wesner then turned the Board's attention to the portfolio performance executive summary. He noted that the performance of the portfolio was driven by the market environment previously discussed. He noted ABE was within the policy target across the board but was a little lower in fixed income and a little bit overweight towards equities and private markets. He noted that with the acquisition of a custodial bank, it would become much easier and much more efficient to rebalance the portfolio and to remain closer to the policy targets. In terms of performance year to date the fund's performance was at 5.2% and more importantly in the long term fund performance was at 6.9% net, which places ABE in the top 15% of your endowment peer group. This is a result of a couple areas in the short term that have really helped, namely fixed income and the Baird short term bond fund. He pointed out success with international equities, with significant outperformance over the one year putting ABE in the top 5% of endowment's international equity portfolios. He next highlighted the the performance of the alternative investments and private investments. Highlighting the portfolio from a risk return perspective, ABE is in the higher part of the peer group in terms of return and in the lower part of the peer group in terms of risk, which is the ideal place to be. No one can always stay in that spot, but ABE has had very strong long term returns and continues to be positioned there. He then directed attention to the fees, noting that all

of the fees reported for all of the strategies are always in the quarterly reports. The fees that ABE pays are significantly less than the industry average. It's still over \$800,000 in fees, however that puts ABE at 53 basis points for the management fee over all, which compares to the peer average of 81 basis points very favorably.

Mr. Wesner then referenced Ms. Behnke's earlier comments regarding selecting a fixed income manager, noting that they would go through it at a Finance Committee level first. He reminded the Board that the goal with the fixed income is to transition from the index fund with Northern Trust to an active manager. He shared that the Core Search material profiled various fixed income managers, highlighting performance, organizational elements of each firm, and fees, upon which Marquette would base their recommendation to ABE. He noted that one of the drivers here was ensuring that firms with space diverse managers were being looked into.

Ms. Behnke thanked Mr. Wesner for his presentation and time. She then noted work ahead for the Finance Committee, which includes finishing off the audit work, meeting with Jamie and having him walk through the fixed income recommendations, and continuing to dialogue with Jamie about a custodial bank recommendation.

Mr. Vogel thanked Mr. Wesner and Ms. Behnke. Ms. Behnke noted that when we implement our custodial bank relationship, it might be a good time to have a check in with Mr. Wesner regarding the number of opportunities given what's currently going on in the market. Mr. Vogel then gave the option for the Board to take an executive session, which the Board declined having already held executive session earlier in the meeting. There being no further business before the Board, the meeting was adjourned.

Respectfully submitted,

Howard H. Vogel  
President

# ABE 2024 Marketing Recommendations

1/16/24



# Re-examine our media mix to ABA Lawyer Members

- Direct mail accounting for 50% of applications as recently as 12 months ago.

Month	Direct Mail	Email	Abendowment.org	Unknown	Paid Search	Total
May 2021	15	11	12	1	1	40
Jun 2021	4	10	5	1	0	20
Jul 2021	14	6	3	0	0	23
Aug 2021	4	6	2	0	0	12
Sep 2021	10	4	7	2	0	23
Oct 2021	9	3	4	0	0	16
Nov 2021	10	4	4	0	0	18
Dec 2021	26	8	5	0	0	39
Jan 2022	17	0	11	1	0	29
Feb 2022	19	9	7	1	1	37
Mar 2022	19	6	2	0	0	27
Apr 2022	30	6	11	1	0	48
<b>Grand total</b>	<b>177</b>	<b>73</b>	<b>73</b>	<b>7</b>	<b>2</b>	<b>332</b>



# Re-examine our media mix to ABA Lawyer Members

- Email significantly outperforming direct mail over last 12 months

Month ▲	Email	Direct Mail	Abendowment.org	10 YR Roll	GI Flyer	Unknown	Paid Search	Total
Oct 2022	6	15	7	0	0	1	0	29
Nov 2022	13	6	9	0	0	0	0	28
Dec 2022	6	5	1	0	0	1	1	14
Jan 2023	14	8	11	0	0	1	0	34
Feb 2023	3	3	4	0	0	0	0	10
Mar 2023	9	3	7	0	0	1	0	20
Apr 2023	3	16	5	0	0	0	0	24
May 2023	54	4	7	0	3	1	0	69
Jun 2023	67	15	12	10	0	0	0	104
Jul 2023	12	12	1	4	0	0	0	29
Aug 2023	35	12	11	0	3	0	0	61
Sep 2023	42	12	7	0	0	0	0	61
<b>Grand total</b>	<b>264</b>	<b>111</b>	<b>82</b>	<b>14</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>483</b>

# Reduction in Direct Mail



- With executive staffing changes, explore opportunities to decrease direct mail and explore new digital tactics.
- Reducing to 4 direct mail campaigns per year = money saved + same application volume when combined with other tactics
- Can retain same application volume by focusing on best-performing products (life and QD bundle) + best-performing segments
- Inclusion of paper application to maximize volume
- Send campaigns in late December (to arrive early January), March, May, and late August/early September.

# Optimized Mailing List



- Makeup of the list to be people who meet at least one of the below criteria:
  - ABA Membership of 5 years or less
  - Firm size under 10 (or unknown size)
  - Individual, Government or Solo product membership as opposed to a Group membership
  - Ages 35-59
- Can perform a cross-section analysis to make further refinements towards members who meet multiple criteria.
- Test one full mailing a year to gauge the response garnered from people outside the above criteria when frequency of communication is reduced.

# Pre-Emails



- Data across other clients shows email and direct mail response rates improve when emails are sent before and the mail drops.
- Emails to offer heads-up of mail coming, but also give user the opportunity to act now online if they prefer.
- Dana to work with ABA to be able to produce an email list that matches our mailing list for each campaign.

# Additional Digital Touchpoints



- Make up the loss of frequency in direct mail with digital touchpoints
- The least expensive and most productive of these additional touchpoints will be second email sends, as well as placing a pixel on ABA's site to retarget interested members.
- Don't oversaturate to uninterested members, but increase communication to members who raise their hands.
- Examples:
  - An additional email send ONLY to members who open our initial email send.
  - Getting a tag placed which would allow digital advertising ONLY to members who proceed to search for insurance on a search engine.

# Multiple Email Waves – The Math



(actual data)

Very little creative or development cost for Waves 2 and 3

+ Significant increase in applications received

= Key to maximizing program ROI

TAP/MC: Total (year one) Annual Premium/Marketing Cost

**Campaign  
After Wave 1**



TAP/MC of approximately 1.99

**After Waves  
2 and 3**



110% increase in TAP with only  
an 18% increase in cost, boosting  
TAP/MC to 3.54

Note: While this example is based on actual campaign results, it is not intended to be predictive of program results; results including ROI vary by group, product pricing and other factors.

# Development of Audience Personas for Targeting



- Develop a lawyer persona to target via Google Ads towards states with mandatory state bar association membership.
- Google data can be used to develop an audience that browses websites similar to americanbar.org and all state bar association websites (and research sites like LexisNexis and Westlaw), has an advanced degree and is of our target age.
- Those audience members can similarly be targeted with paid search, display, and video ads.

# Social Media Synergy

- Data shows social media is not a direct driver of applications
- It DOES create legitimacy and trust among users already in consideration stage.
- Create synergy in the social media channel by having our post topics aligned with our email and direct mail campaigns within that given month.



A screenshot of a Facebook post from the American Bar Endowment. The post is dated November 2 at 12:00 PM. The text of the post reads: "The American Bar Endowment has awarded a \$25,000 Opportunity Grant to Women and Children's Horizons to support their Empower You Legal Services Project. The funds will go toward developing a web and app-based educational tool to help educate victims of sexual assault and domestic violence, provide safe virtual spaces, and facilitate legal representation. Women and Children's Horizons offers advocacy, shelter, training, and healing services to abuse victims, their families, a... See more". Below the text is a photograph of a young girl and a woman hugging. To the right of the photo is the logo for "WOMEN AND CHILDREN'S HORIZONS". At the bottom of the post is the American Bar Endowment logo, which includes the letters "ABE" in a large, bold font with a stylized column, followed by "AMERICAN BAR ENDOWMENT" and the tagline "More than 80 years of service". The bottom of the screenshot shows the Facebook interaction bar with icons for "Like", "Comment", "Share", and a profile picture.

**ABE** American Bar Endowment · Follow  
November 2 at 12:00 PM · 🌐

The American Bar Endowment has awarded a \$25,000 Opportunity Grant to Women and Children's Horizons to support their Empower You Legal Services Project. The funds will go toward developing a web and app-based educational tool to help educate victims of sexual assault and domestic violence, provide safe virtual spaces, and facilitate legal representation.

Women and Children's Horizons offers advocacy, shelter, training, and healing services to abuse victims, their families, a... See more



WOMEN AND CHILDREN'S  
HORIZONS

**ABE** AMERICAN BAR  
ENDOWMENT  
*More than 80 years of service*

Like Comment Share



# Remove silos



- ZG historically siloed to emails, direct mail, and social media
- New executive staff has already allowed access to:
  - Certificate package recommendations
  - Meeting handouts
  - New applicant communication recommendations
- Website [abendowment.org](http://abendowment.org) to be a future focus of optimization discussions

# Impact on Budget



Channel	Current Budget	Proposed Tactic Budget
Direct Mail	\$494,000	\$164,000
Email	\$48,000	\$60,000
New Creative Development	\$25,000	\$25,000
Social Media	\$15,000	\$15,000
Digital Advertising	\$5,000	\$25,000
<b>Total</b>	<b>\$587,000</b>	<b>\$289,000</b>

- Through the new plan, we can cut our current spend by over half, while ideally not losing any application volume by sending quarterly mail to an optimized list combined with any gains we achieve in the digital advertising space.

# Measurement and Transparency



- Measurement of campaigns to be tied to financial results against money spent.
- Ideally, New York Life can assist in arriving at a lifetime value of a new insured.
- Weigh spend against the expected lifetime value generated, both at an individual campaign/channel level and a full marketing plan level.
- Test and learn, and reallocate to channels most beneficial.

# Reserve for Pilot Opportunities



- New digital opportunities may not always align with fiscal budget planning
- Freeing up direct mail funds allows for a reserve to explore new opportunities
- Example:
  - New vendor that tracks IP address and links to a mailing address, allowing a postcard to be sent within days of a web visit
- Without commitment to monthly direct mail costs, can test new channel immediately, either by drawing from a reserve or reallocating from underperforming digital channels.

# Questions?



**Minutes of the Insurance Committee Meeting  
American Bar Endowment  
January 19, 2024**

The Insurance Committee of the American Bar Endowment met January 19, 2024 via a Teams meeting. Committee members in attendance for the meeting were:

Michael E. Flowers, *Chair*  
Hon. Lora J. Livingston,  
Michelle A. Behnke

Robert M. Carlson  
Lee Edmon

Also present for the meeting were:

Dave Armstrong, *SASS Associates*  
Daniel J. O'Brien, *New York Life*  
Maridsa Otero, *New York Life*

Dana Sturtz Hill, *ABE Executive Director*  
Izzy Eisen, *ABE Staff*

Mr. Flowers, committee chair, kicked off the meeting by welcoming everyone, noting that the full committee was present except for Vice Chair Randy Noel, who had a conflict. He asked Ms. Otero to start.

Ms. Otero, New York Life representative, spoke first about the ABE Disability Plans full plan report. She noted positive results for 3 of the disability plans. She praised the Risk Management team at NYL who closed out 21 claims for \$2.1 million last year. She then noted that the Premium Margin is 47%, down from 61.5% the previous year. Because of this a \$2.5M wire was released on 1/19/24 to ABE. Mr. Armstrong then shared some additional context on the Premium Margin. He noted that two years ago ABE borrowed \$1 million due to the pandemic, which they paid back the following year. He then noted that last year's charge for incurred claims came rolling back at 37%, and the cumulative year to date is 55%. He noted that the Dividend on Deposit is strongly reserved at \$4.6 million.

Ms. Otero next introduced the project updates for the level term product since the November meeting. She noted that NYL had presented the new administrative guidelines and programming requirements to ABE staff. ABE staff had informed NYL of their programming needs, upon which the two teams agreed on an effective date of 6/1/24 and a target "go live" date later in June that would align with the portal release dates. Ms. Otero then presented a more comprehensive timeline, detailing the steps that would take place from December through March, at which time an updated project timeline would be shared. Ms. Behnke asked what potential hiccups may slow down the June launch, particularly if the contract filings may pose a concern for not being accepted. Mr. O'Brien and Ms. Otero noted that they had no concerns overall, and that, there being only one contract filing, there would be plenty of time to troubleshoot should there be an issue. Ms. Behnke then noted that NYL had mentioned engaging with ZeisGroup beginning in March 2024, and asked if that would be enough time for them to hit the June deadline. Ms. Otero said this was an appropriate timeline based off their historical workings with ZeisGroup. Ms. Hill noted that, while ZeisGroup would not begin this work until March, they had already

been made aware of today's updates. She also noted that Mr. Schonhoff, the ZeisGroup representative, would be joining the Insurance Committee meeting in February in order to ensure transparency and coordination amongst the various parties.

Mr. Armstrong then presented the reserves summary to the committee. In talking through the LTD reserves, he noted ABE has \$4 million in premium and over \$10 million in reserves. He shared that his basic rule of thumb is that reserves being twice the premium provides a sufficient cushion. Through conversation with Ms. Hill, they determined that ABE is very well reserved and agreed it was unnecessary to add additional funds to the Dividend on Deposit Reserve.

There being no further business before the Committee, the meeting was adjourned.

Respectfully submitted,

Michael E. Flowers  
Chair



# NYL Update

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American Bar Endowment  
 LTD (G-29900 - 29903)  
 11/1/2022 - 10/31/2023  
 Financial Experience Summary

	Prior Year 11/1/21 - 10/31/22		Current Year 11/1/22 - 10/31/23		Cumulative 11/1/15 - 10/31/23	
	Amount	%	Amount	%	Amount	%
1. Earned Premium	4,162,209	100.0%	3,940,792	100.0%	38,940,423	100.0%
2. Charge for Paid Claims	2,366,511	56.9%	2,135,786	54.2%	13,934,099	35.8%
3. Claim/Policy Reserves - EOP						
A. IBNR/Disabilities < 1 Year	2,673,169	64.2%	2,924,838	74.2%	2,924,838	7.5%
B. Disabilities > 1 year	5,494,608	132.0%	4,743,267	120.4%	4,743,267	12.2%
C. Total	8,167,777	196.2%	7,668,106	194.6%	7,668,106	19.7%
Claim/Policy Reserves - BOP	8,993,285	216.1%	8,167,777	207.3%	0	0.0%
4. Charge For Incurred Claims	1,541,003	37.0%	1,636,114	41.5%	21,002,204	55.5%
5. Retention						
A. Commissions	0	0.0%	0	0.0%	0	0.0%
E. Premium Taxes	90,893	2.4%	94,579	2.4%	919,874	2.4%
C. Marketing	0	0.0%	0	0.0%	0	0.0%
D. Medical Fees	11,880	0.3%	12,768	0.3%	180,791	0.5%
E. NYL Administration Charges	145,677	3.5%	157,632	4.0%	1,335,776	3.4%
F. Risk Charges	66,595	1.6%	63,053	1.6%	623,047	1.6%
H. Interest (Credits)/Charges <sup>(1)</sup>	(261,576)	-6.3%	(280,425)	-7.1%	(1,884,316)	-4.8%
I. Total	62,470	1.5%	47,606	1.2%	1,175,171	3.0%
6. Margin	2,558,736	61.5%	2,257,072	57.3%	16,163,048	41.5%
7. CSR - Beginning	3,567,073	85.7%	3,351,944	85.1%	0	0.0%
- Deposit (excludes taxes)	0	0.0%	0	0.0%	3,107,170	8.0%
- Margin	2,558,736	61.5%	2,257,072	57.3%	16,163,048	41.5%
- Maximum	3,351,944	80.5%	3,116,301	79.1%	3,116,301	8.0%
CSR - End	3,351,944	80.5%	3,116,301	79.1%	3,116,301	8.0%
8. Preliminary Dividend	2,773,865	66.6%	2,492,715	63.3%	16,153,917	41.5%
Dividend on Deposit	1,000,000	24.0%	0	0.0%	3,500,004	9.0%
Dividend Paid in Cash (incl. Int)	1,773,865	42.7%	2,492,715	63.3%	12,657,717	32.5%
<b>Dividend on Deposit Account</b>						
Beginning Balance	3,600,004		4,600,004		0	
Deposits / (Withdrawals)	1,000,000		0		4,600,004	
Ending Balance	4,600,004		4,600,004		4,600,004	





NEW: QuickDecision<sup>sm</sup> automated medical underwriting for Level Term Life products  
To build upon the success of the Annual Renewable Term Life (ART) QuickDecision<sup>sm</sup> program, we've broadened the scope to include the full Level Term Life product suite for face amounts of \$500K and below.



Full Underwriting applies to all coverages not eligible for QuickDecision<sup>sm</sup>. Applicants will be eligible for a Super Preferred risk class, which represents the healthiest risk class available and therefore offers the lower premium rates.



Facilitate a more customer friendly, fluid-less application experience.  
The automated underwriting engine is expected to generate higher sales by reducing the turnaround time, decreasing application withdrawals, and lowering underwriting costs.

QuickDecision<sup>SM</sup>

Product	Age range	Face amount	Risk classes
10YR.	18-64	\$500K and below	Preferred Select Standard
20YR.	18-54		

Full Underwriting

Product	Age range	Face amount	Risk classes
10YR.	65-69*	\$500K and below	Preferred Select Standard
20YR.	55-59*		

Product	Age range	Face amount	Risk classes
10YR.	18-69*	\$501K and above	Super Preferred Preferred Select Standard
20YR.	18-59*		

\*Note a change from your current product suite, we have expanded the age eligibility of the 10 year to 69 and 20 year to 59 on full underwriting.



At the November Board meeting NYL presented a recommendation for the Level Term pricing:

ABE Board Approved  
November 2, 2023



NEW rates on a Non-guaranteed rate structure  
Expanded eligibility ages for Full underwriting



Priced very competitively towards the top of  
the market for all key cells

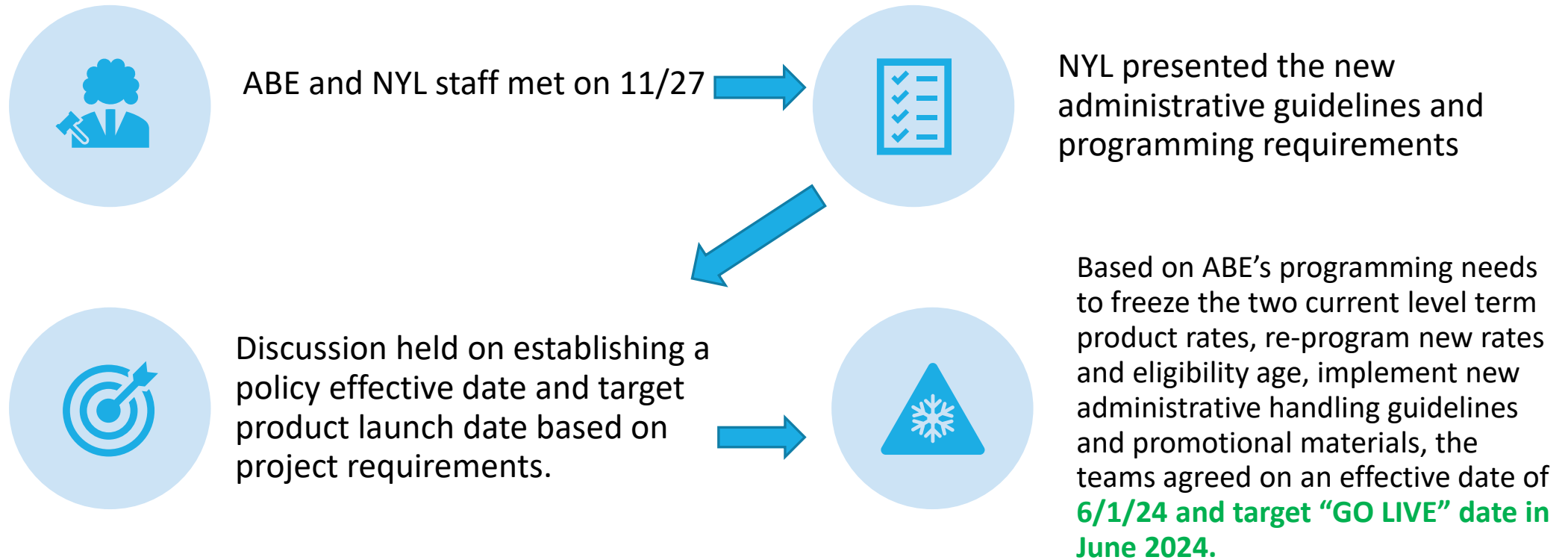


Applies to new business only. Existing  
insureds/rates are not impacted but existing  
insureds can apply for a new rating basis.

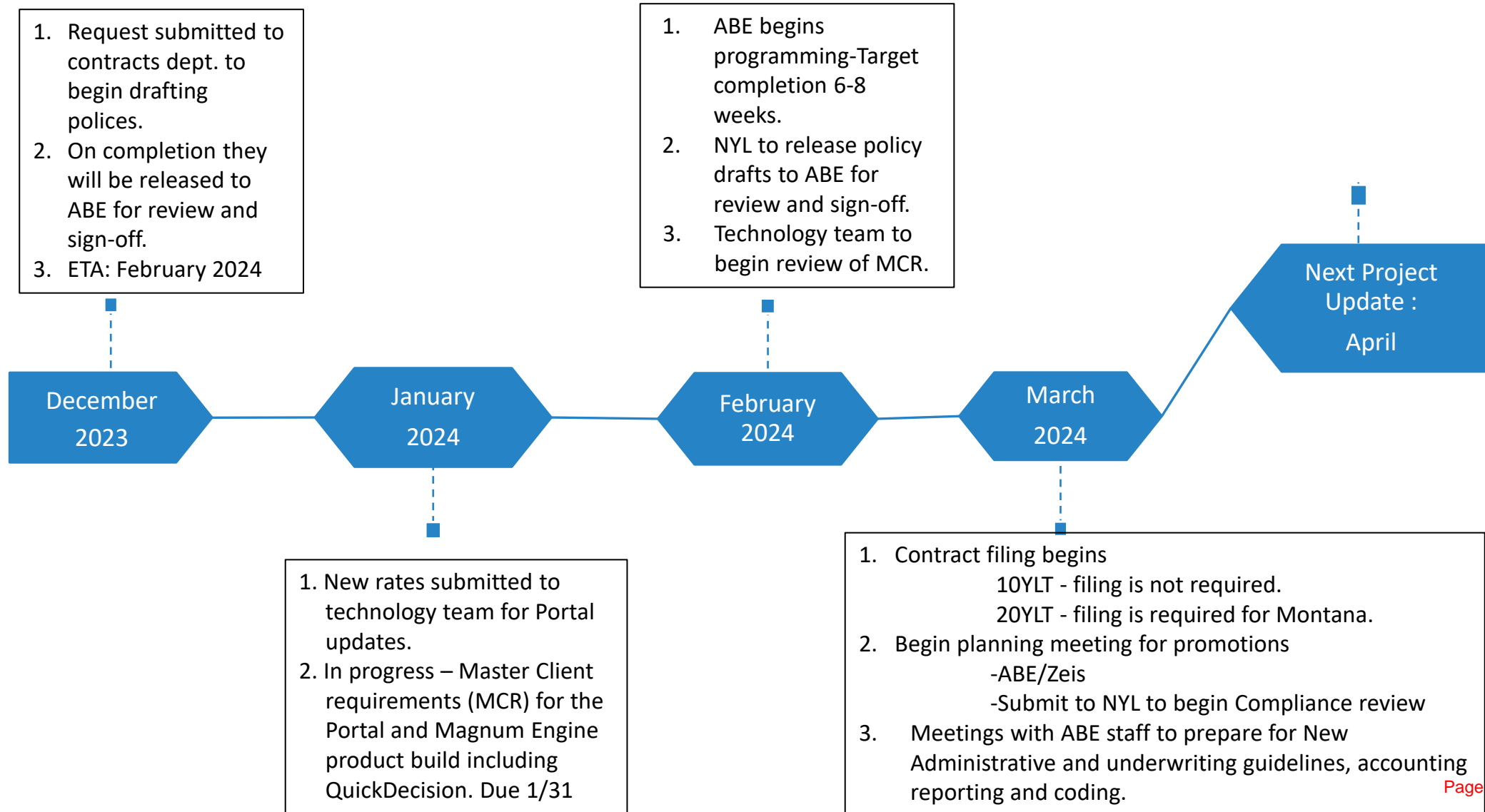


Promotional materials terminology will be clear  
regarding the rate adjustability

# Updates to next steps introduced in November:



# Level Term Project Timeline – 1<sup>st</sup> Quarter





Thank you!  
ABE

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11-Jan-24

Product/Category	Carrier Held Reserve*	ABE Held Reserve	Total	Carrier
<b>Life Plans</b>				
IBNR	\$631,873	\$0		NYL
Pending	\$673,000	\$0		NYL
Waiver	\$27,336	\$0		NYL
Policy/Deficiency	\$24,681,847	\$0		NYL
CSR	\$11,999,815	\$0		NYL
DOD	\$16,175,817	\$0		NYL
Total Life	\$54,189,688	\$0		NYL
<b>Long Term Disability</b>				
				NYL
IBNR/Disablements< 1 Year	\$2,924,838	\$0		NYL
Disablements> 1 Year	\$4,743,267	\$0		NYL
CSR	\$3,116,301	\$0		NYL
DOD	\$4,600,004	\$0		NYL
Misc	\$0	\$2,974,216		USL
Total LTD	\$15,384,410	\$2,974,216		NYL
<b>Office Overhead</b>				
IBNR	\$40,982	\$0		NYL
Disablements< 1 Year	\$0	\$0		NYL
Disablements> 1 Year	\$0	\$0		NYL
CSR	\$148,897	\$0		NYL
DOD	\$400,000	\$0		NYL
Total OOE	\$589,879	\$0		NYL
Total Disability	\$15,974,289	\$2,974,216		NYL
<b>Accidental Death (AD&amp;D)</b>				
IBNR	\$83,854	\$0		NYL
Pending	\$0	\$0		NYL
CSR	\$689,608	\$0		NYL
Total AD&D	\$773,462	\$0		NYL
<b>Hospital Money (HIP/HMP)</b>				
IBNR	\$86,469	\$0		NYL
CSR	\$171,834	\$0		NYL
Total HIP/HMP	\$258,303	\$0		NYL
<b>Excess Medical</b>				
IBNR	\$2,011,175	\$0		USL
CSR	\$763,218	\$0		USL
Misc	\$0	\$8,030,441		USL
Total EMM	\$2,774,393	\$8,030,441		USL
<b>Total Reserves</b>	\$73,970,135	\$11,004,657	<b>\$84,974,792</b>	NYL/USL

\*Last Carrier Annual Accounting



American Bar  
Endowment  
*Increasing Impact  
and Promoting  
Collaboration*

ABA Fund for Justice and Education  
Grant Presentation  
February 2024



# ABE Grant in Action

The FJE collaborates with ABA entities to leverage current funding to raise gifts and grants from outside sources. Those entities with robust programs and well documented results successfully attract major gifts from individuals, corporations, and foundations.

- [Center on Children and the Law](#): Through a \$500,000 grant from the W. K. Kellogg Foundation, the Center launched an initiative to reduce race-based overreporting of child abuse by medical professionals. The Center leveraged this work to win a new five-year federal award from the U.S. Dept. of Health and Human Services Children's Bureau.
- [Task Force for American Democracy](#): Through intense peer-to-peer outreach, the Task Force has raised over \$200,000 in just a few months to support programs that will help restore confidence in our democratic process. This includes gifts from the Rockefeller Brothers Foundation (\$100,000), State Farm (\$25,000), and Emerson Electric (\$25,000).
- [Military Pro Bono Project](#): As part of the 2023 ABA Giving Day, FJE Council member John McDonnell helped secure a \$25,000 donation from the Bob and Dolores Hope Foundation to support the Project. The project has received several large contributions, including \$50,000 from an individual donor and a \$57,000 cy pres award.

## ABA Free Legal Answers Active Jurisdictions



# ABE's Investment in the Future

The future needs of society demand a legal profession that is not only responsive to immediate needs but is also proactive in shaping a more inclusive and equitable legal system. The ABE grant embraces innovation and collaboration, so the legal profession can foster a future where justice is a fundamental right for every member of society.

- ABA Free Legal Answers (FLA): This online platform remains an effective resource for lower-income people needing legal advice. Based on present trends, FLA anticipates reaching 450,000 civil legal questions submitted and responded to by the end of FY2025. FLA also expects to reach 16,000 attorneys registered to provide free legal advice and information to site users during this same period.
- ABA Legal Opportunity Scholarship Fund: The 2024-2025 bar year will celebrate the 25<sup>th</sup> anniversary of the first Scholarship award. The FJE plans to use this milestones to make enhancements to the program and launch a fundraising campaign to help increase the number of Scholarships awarded to 25 students.



Theresa Zhen  
ABA Legal Opportunity Scholar  
Class of 2011

# FJE as Development Office for the Entire ABA

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Increase number of individual donors, including major donors



Strategic approach to law firm, corporate, and foundation giving



Collaboration is key to success



Fundraising is a marathon and not a sprint

# Individual Giving on the Rise

## September – December Giving Trends

September - December	2018-2019		2019-2020		2020-2021		2021-2022		2022-2023		2023-2024	
	Total Raised	# of Gifts	Total Raised	# of Gifts	Total Raised	# of Gifts	Total Raised	# of Gifts	Total Raised	# of Gifts	Total Raised	# of Gifts
Sept	\$32,334	54	\$37,084	85	\$22,189	99	\$50,108	245	\$43,315	82	\$31,532	93
Oct	\$28,003	157	\$20,957	108	\$167,609	440	\$201,825	823	\$210,047	805	\$312,907	1,207
Nov	\$54,700	171	\$66,226	101	\$118,655	200	\$108,784	328	\$76,625	287	\$103,251	310
Dec	\$320,260	580	\$237,384	685	\$180,917	661	\$275,130	487	\$302,535	561	\$334,690	513
<b>Total:</b>	<b>\$435,297</b>	<b>962</b>	<b>\$361,651</b>	<b>979</b>	<b>\$489,370</b>	<b>1,400</b>	<b>\$635,847</b>	<b>1,883</b>	<b>\$632,522</b>	<b>1,735</b>	<b>\$782,380</b>	<b>2,123</b>

- The 2023 ABA Giving Day boosted donations in the fall and this momentum carried over into calendar year-end giving.
- The FJE set a fundraising goal of \$300,000+ for December 2023. This target was based on individual giving donor trends from past several years.
- The least amount raised in December was in 2020 during the pandemic and after the first ABA Giving Day celebration took place. This year, the success of ABA Giving Day (\$395,000 raised) did not impede our \$300,000 goal.

Initiatives  
to Expand  
Impact

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FJE Strategic Plan

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Expanded Member Outreach

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ABA Giving Day

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Capacity Building & Training

<b>BUILD</b>	BUILD the FJE’s capacity to serve as the fundraising arm of the American Bar Association and serve as a center for philanthropic best practices, activities, and guidance on ABA public service programs
<b>STRENGTHEN</b>	STRENGTHEN the FJE’s marketing and messaging to advance the ABA’s charitable impact and motivate member giving
<b>IMPROVE</b>	IMPROVE understanding among ABA leaders of the FJE’s role to encourage their support and participation in fundraising efforts

FJE Strategic Plan  
FY2024-26  
Three Main Goals



# Expanded Donor Outreach

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# Expanded Outreach = Broader ABE Donor Recognition



- Since August 1878, the ABA has continued its commitment to build a legal and ethical foundation for the justice system and uphold the rule of law.
- In honor of the ABA's 145<sup>th</sup> anniversary, the FJE celebrated the accomplishments made possible since that fateful day in Saratoga Springs, New York.
- Within these reports, we had the pleasure of recognizing the ABE as one of the FJE's most loyal and generous supporters.
- Like other reports, this piece was distributed by mail and email to ABA members and donors and hosted on the FJE webpage throughout the year.

# Donor Appreciation Month

- Celebrated in September with the start of the new bar year, the inaugural event thanked and recognized supporters with a Donor Gratitude Report. The interactive online publication included a prominent thank you to the American Bar Endowment.
- Provided exclusive 40% off donor discount at ShopABA as a token of appreciation.
- Offered two webinars where donors met with subject matter experts to learn more about the impact of their gift.





The inaugural event in October 2020 raised roughly \$115,000 and focused on eight programs that addressed the impact of the pandemic and racial injustice.

The 2022 ABA Giving Day raised nearly \$275,000 for ABA programs with the theme *Advancing Democracy, Equity & Justice*.



The 2021 theme, *Community First*, generated engagement from members and the public, raising more than \$250,000 from over 730 donors.

The 2023 ABA Giving Day expanded to include all ABA entities conducting charitable work and continued the theme *Advancing Democracy, Equity & Justice*.

# ABA Giving Day Exceeds Goal

## Over \$395,000 Raised

- 2022 ABA Giving Day raised approximately \$275,000
- 2023 goal set at \$350,000, a 25% y-o-y increase
- Total 2023 giving of \$395,000, a 41% y-o-y increase

## Unique Website

- FJE Annual and nearly 50 ABA programs featured
- Entities divided into six categories

Entity Category	# of Donors	# of Gifts	Amount Raised
Annual Fund	110	116	\$43,925
Center for Public Interest Law	245	246	\$77,035
Diversity, Equity, and Inclusion Center	150	153	\$52,384
Global Programs	23	23	\$5,030
Public & Civic Education	72	73	\$18,826
Sections, Divisions, & Forums	433	446	\$162,873
Special Projects	32	34	\$29,633
<b>Total:</b>	<b>1,065*</b>	<b>1,091</b>	<b>\$389,705.46**</b>

\* Actual number of donors equals 857. Number is inflated due to the same person donating to multiple programs or donating to the same program several times.

\*\* Total does not include \$5,697 in donated credit card processing fees.

# Engaged Leaders and Staff are Key to ABA Giving Day Success

TOP 10 PERFORMING ENTITIES  
BY AMOUNT RAISED

Entity Name	# of Donors	# of Gifts	Amount Raised
Section of Tax Law - TAPS	59	60	\$53,768
Annual Fund	110	116	\$43,925
Legal Opportunity Scholarship Fund	67	69	\$33,416
Standing Committee on the Law Library of Congress	26	27	\$31,800
Standing Committee on Legal Assistance for Military Personnel	7	9	\$25,700
Section of Health Law	46	46	\$19,921
Section of Litigation - JIOP	42	44	\$18,270
Section of State & Local Government Law	16	16	\$12,764
Section of Civil Rights and Social Justice	55	57	\$12,760
Section of International Law - Afghan Scholarship & Mentorship	45	47	\$11,900

TOP 10 PERFORMING ENTITIES  
BY DONOR PARTICIPATION

Entity Name	# of Donors	# of Gifts	Amount Raised
Annual Fund	110	116	\$43,925
Legal Opportunity Scholarship Fund	67	69	\$33,416
Section of Tax Law - Tax Assistance Public Service Endowment (TAPS)	59	60	\$53,768
Section of Civil Rights and Social Justice	55	57	\$12,760
Commission on Homelessness & Poverty	50	50	\$6,753
Section of Health Law	46	46	\$19,921
Section of International Law - Afghan Scholarship & Mentorship	45	47	\$11,900
Section of Dispute Resolution	44	48	\$10,010
Section of Litigation - JIOP	42	44	\$18,270
Task Force for American Democracy	30	30	\$9,351

Module 1

Introduction to  
Fundraising

Module 2

Individual Annual &  
Deferred Giving

Module 3

Law Firm & Corporate  
Sponsorship

Module 4

Program Development  
& Measuring Impact

Module 5

Foundation &  
Government Grants

Module 6

Effective Donor  
Communication

Module 7

Donor  
Stewardship

Module 8

Event  
Fundraising

# Training and Capacity Building

# Sample Training Module: Introduction to Fundraising

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## **Recorded Videos**

### *Fundamentals of Fundraising*

- Importance of fundraising and a diversified funding strategy
- Different types of funding sources: individual, law firm & corporate, foundation, and government grants
- Donor intent and ethical fundraising

### *SMART Fundraising & Program Development*

- Setting specific, measurable, achievable, relevant, and time-bound (SMART) goals
- Designing impactful programs that funders will invest in
- Exploring collaboration with other ABA entities and outside partners

## **Informational Pieces**

- Glossary of Fundraising Terms
- Top Five Fundraising Opportunities for Leaders
- Distinction between the FJE vs ABE vs ABF

## **Live Sessions**

### *FJE Overview*

- Role of the FJE within the ABA
- Available charitable accounts – Program Support Funds, Grants, and Endowments
- Elements of successful fundraising
- Fundraising tools available
- FJE support in obtaining permission to seek outside funding

### *Leadership Involvement in Fundraising*

- Various ways leaders can participate in seeking outside support
- Relationship mapping with leaders
- Understanding the role of peer-to-peer fundraising
- Value of 100% leadership participation

**“Real  
change,  
enduring  
change,  
happens  
one step  
at a time.”**



—Supreme Court Justice  
Ruth Bader Ginsburg



*Thank You!*  
Questions

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AMERICAN BAR  
FOUNDATION

Research Advancing Justice

# ABF Presentation

ABE Board Meeting, February 2024



# THANK YOU!



# Presentation Agenda



- **Finances**
  - 2023-24 Budget
  - ABE's sustaining support
- **Organizational Developments**
  - Strategic planning
  - Research renewal
- **Research Program Highlights**
  - Productivity metrics
  - Projects from the portfolio
- **Questions?**

# Finances

2023-24 Budget

ABE's sustaining support

# 2023-2024 Budget



**• THANK YOU!**

- 41% of total ABF budget
- Historically, 50%-66% of budget
- Stable amount; smaller percentage

## Revenue:

- ABE annual grant: \$3.7 M
- ABF Fellows revenue: \$2.5 M
- Third-party grants: \$1.3 M
- ABF Endowment draw: \$1.4 M
- Misc. income: \$0.2 M
- **Total income: \$9.1 M**

**100% of ABE Grant supports research!**

## Expenses:

- Faculty salaries: \$2.4 M
- Research program expenses: \$2.9 M
- ABF Fellows programming: \$1.1 M
- Administration & development: \$2.8 M
- **Total expenses: \$9.1 M**

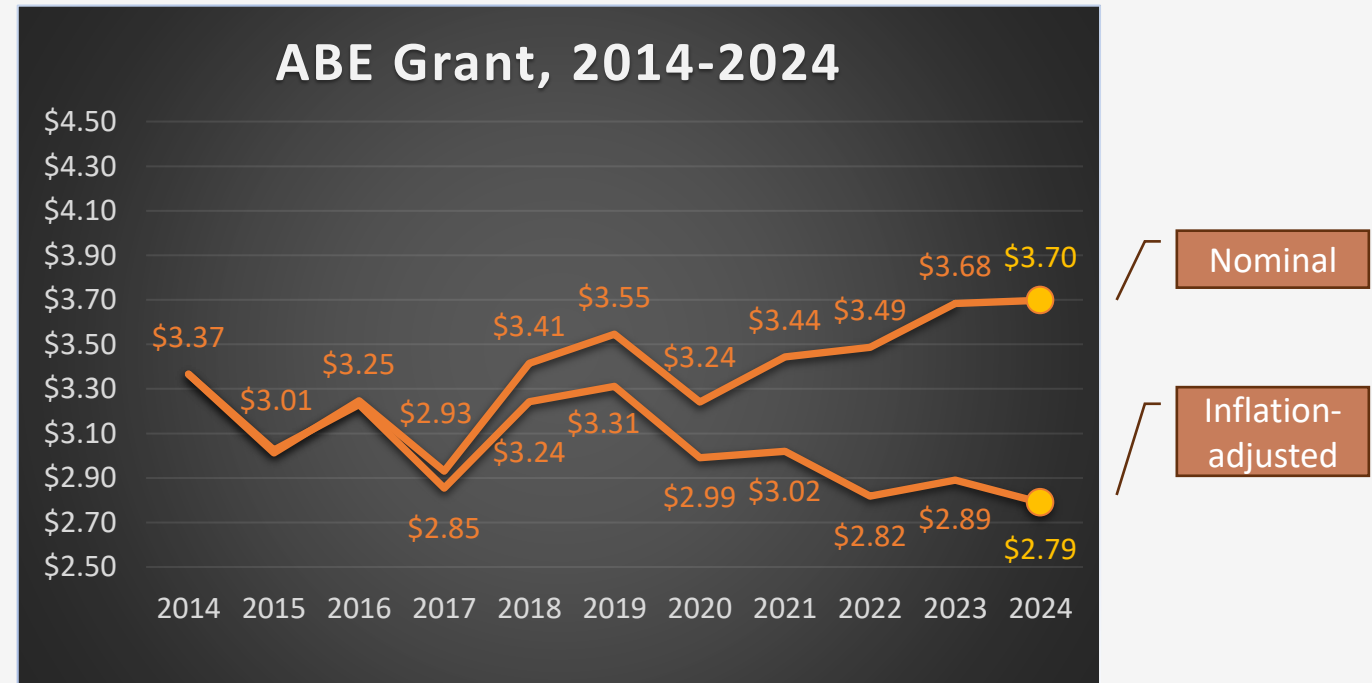
# ABE Annual Grant



- The ABE grant is the ABF's single largest income source

- Recent years:

- FY 2019-20: \$3.2 million
- FY 2020-21: \$3.4 million
- FY 2021-22: \$3.5 million
- FY 2022-23: \$3.7 million
- **FY 2023-24: \$3.7 million**



# 70-year Partnership, Going Strong



- The ABE grant is the ABF's most important income source – by far!
  - 2.5x net Fellows revenue
  - 3x third-party grants
- The ABE grant funds 75%+ of ABF research
  - **NO part of ABE grant goes to overhead**
- Stretching the ABE dollar
  - Special endowment funds (individual donors and firms)
  - New funding partnerships (beyond the “usual suspects”)
- The ABE grant is the secret sauce!
  - Reliable funding → vision and ambition
  - Flexible funding → innovation and exploration
- **Not just what lawyers are worrying about today, ...**  
**but also what they'll be worrying about tomorrow!**



# Organizational Developments

Strategic planning

Research renewal



# Organizational developments: Strategic Planning



- **Process:**
  - **Timeline:** Sept. 2023 - Aug. 2024
  - **Participants:** Board, Staff, Faculty
  - **Progress:**
    - Phase 1: Survey (done)
    - Phase 2: Departmental canvass (done)
    - Phase 3: Drafting (up next)
- **Premises:**
  - Sustain the mission \_\_\_\_\_
  - This year: **Operational capability**
    - Policies
    - Resources
    - Communications
  - Next year: **Research vitality**
    - Faculty recruitment
    - Research agendas and initiatives
    - Training and programming

## ***Our Mission:***

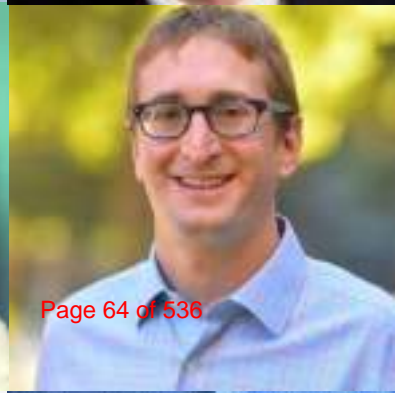
- *To expand knowledge and advance justice through innovative, interdisciplinary, and rigorous empirical research on law, legal processes, and legal institutions, ...*
- *Producing timely, cutting-edge research of the highest quality, to inform and guide the legal profession, the academy, and society in the United States and internationally.*

# Organizational developments: Research Renewal



## Faculty transitions:

- Retirements (3.5 FTEs)
  - Steve Daniels *political science/civil justice*
  - John Hagan *sociology/criminology*
  - Terry Halliday *sociology/international law*
  - Susan Shapiro *sociology/trust*
- New hires (2.5 FTEs)
  - Reuben Jonathan Miller *ethnography/criminal justice*
  - William Hubbard *economics/civil procedure*
  - Jacob Goldin *economics/tax*
  - Mark Suchman *sociology/organizational studies*
- Anticipated ... *in 2024-2025*
  - Priorities TBD



## Emerging Scholars Programs

- Nurturing junior scholars to build and enhance empirical interdisciplinary research on law, legal institutions, and the legal profession
- Summer Undergraduate Research Fellowships (SURF – Montgomery Fellows)
  - 34<sup>th</sup> year of program
  - 4-5 Fellows, working full-time with ABF faculty
  - Promoting inclusion for historically underrepresented groups
- Doctoral Fellowships
  - 30<sup>th</sup>+ year of program
  - ABF/Northwestern/Chicago Doctoral Fellowships in Law and Social Science
  - ABF/AccessLex Doctoral Fellowships in Legal and Higher Education
  - ABF/NSF Doctoral Fellowships in Law and Inequality
- Post-Doctoral Fellowships
  - 29<sup>th</sup> year of program
  - ABF/NSF Postdoctoral Fellowships in Law and Inequality
  - ABF/AccessLex Postdoctoral Fellowships in Legal and Higher Education



Ahmad Abdulwadood



Heba Alex



Hardeep Dhillon



Tasfiya Kashem



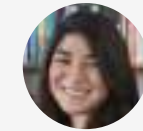
Oscar R. Cornejo Casares



Sonya Rao



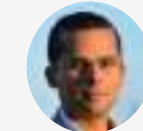
Judy Zhang



Reyna Hernandez



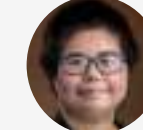
Dianna Garzón



Brandon Honoré



Victoria Ylizariturri



Portia Jin Xiong

# Research Program Highlights

Productivity metrics

Projects from the portfolio

# Productivity Metrics\*



- Publications:
  - 11 books & monographs
  - 70 articles, book chapters, & reports
  - 80 presentations around the globe
    - Including 50+ Fellows events
- Honors:
  - 6 faculty ranked among “Best Law Scientists in the World”
  - 10+ national and international awards
  - 2 MacArthur Foundation “genius” awards

*\*For ABF's 18 core Chicago-based faculty members, 2021-2023*



# Projects from the Portfolio

- Making and Implementing Law
  - *The diverse ways laws are created and practiced, not just by legal professionals, but also by those who enforce the law and put it into action*
- Protecting Rights, Accessing Justice
  - *The diverse ways that the legal system seeks to protect vital rights, and the diverse ways that people seek legal justice*
- Learning and Practicing Law
  - *How law is learned and practiced both in legal and non-legal settings, with a focus on legal education and the careers of legal professionals*



## Our Court: A New History of the United States Supreme Court

- *Christopher Schmidt*
  - Tracing how the Supreme Court has come to be seen as part of, not apart from, American politics and culture
  - **Research design:**
    - Primary-source historical case-studies
    - 1930s to the present
  - **Justices' biographies and identities diverge from popular perceptions**
    - Justices' backgrounds become more professional, lawyerly
    - Yet the public sees the court as more partisan and political
- **A crisis of legitimacy, grounded in diverging perceptions**

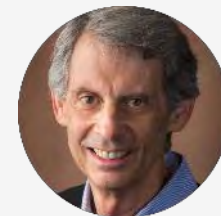
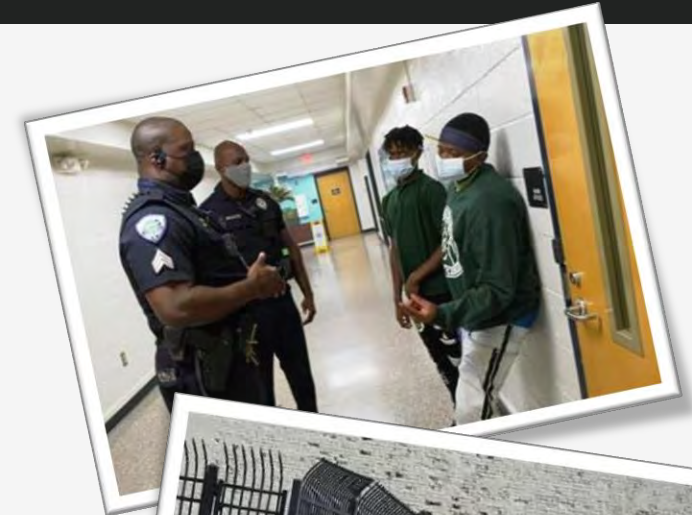


Christopher Schmidt

## Influences of State Policies and Racialized Parental Incarceration

- *John Hagan (with Holly Foster)*
- Seed Funding from ABF, research grant from NSF
- **Can school spending mitigate the effects of parental imprisonment?**
- **Research design:**
  - Merges two large datasets (N=8,000)
  - Uses cross-state policy variation for comparative analysis
- **Results link housing segregation, school policing, and perceptions of bias:**
  - Segregated schools are more heavily policed
  - In-school policing fosters perceptions of bias, especially among Black men
  - Life-long increase in risk of incarceration

→ School spending may matter, but the *nature* of spending matters more



John Hagan



Holly Foster



# Learning and Practicing Law

## After the JD: A National Study of Lawyer Careers

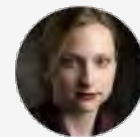
- 7-person team, led by Bob Nelson, Bryant Garth, and Ronit Dinovitzer
  - Funding from ABF and NSF
  - Tracking the careers of 5,000+ lawyers who entered practice in 2000
  - Research design:
    - 20+ years of data collection
    - 10,000+ surveys, and 200+ in-depth interviews
  - Capstone book: *The Making of Lawyers Careers: Inequality and Opportunity in the American Legal Profession*
    - To be showcased in Hubbard Conference at Stanford, March 25-26, 2024
- Results show high satisfaction, but persistent gender and race inequality



Robert L. Nelson



Bryant Garth



Ronit Dinovitzer



Meghan Dawe



Joyce Sterling



David B. Wilkins



Ethan Michelson

# Questions?

# Thank you!



## GUIDELINES FOR THE AMOUNT OF ABE GRANTS

1. Policy Statement. These Guidelines are for the determination of the dollar amount of Grants that will be made for a given fiscal year of the ABE. Other guidelines apply to the selection of grantees and the administration of Grants. The Legal Legacy Fund of the American Bar Endowment will be managed as a so-called "quasi-endowment," or Board-restricted fund. It will be maintained as a resource for the making of distributions ("Grants") to organizations that qualify as exempt organizations under section 501 (c)(3) of the Internal Revenue Code, particularly in support of efforts that advance legal study and research and promote the administration of justice and uniformity of judicial decision throughout the United States and other charitable endeavors consistent with the mission of the ABE. It should not be considered a "reserve fund" from which Grants are to be made out of the principal or corpus of the fund in order to accommodate critical financial needs of the grantees.
  
2. Annual Limitation on Grants. The aggregate amount of annual Grants, including the Opportunity Grants, made from insurance dividends/experience credits and unrestricted funds of the Endowment's Legal Legacy Fund and the Foulis Fund for the next fiscal year will not exceed the sum of the following:
  - (a) The average of 85% of each year's net insurance dividends/experience credits (defined as gross dividends/experience credits less reserve adjustments and all ABE expenses) received by ABE during the five previous fiscal years. The remaining 15% of the current fiscal year net insurance dividends/experience credits will be deposited into the Legal Legacy Fund for the long-term support of making Grants to eligible grantees; plus
  - (b) Up to 5.0 percent of the average of the prior five (5) years' June 30<sup>th</sup> fair market value of the Legal Legacy Fund less (1) any expenses and (2) any Grant amounts previously declared based on this calculation that have not yet been withdrawn from the Legal Legacy Fund.
  - (c) A maximum of four percent (4%) of the five (5) year rolling average value of the Foulis Funds on the annual valuation date. The annual valuation date for the purpose of grant-making from the Foulis Fund will be the same date as that used for the Legal Legacy Fund.
  
3. Opportunity Grants. The total funds available on an annual basis for the Opportunity Grants Program shall be \$300,000 or 4% of the total amount granted to ABA/FJE and the ABF, whichever is less unless otherwise agreed to by the American Bar Association's Board of Governors and the American Bar Endowment's Board of Directors.

4. Effective Date. These guidelines shall become effective with respect to grants awarded in the American Bar Endowment's 2018/2019 fiscal year and payable beginning September 1, 2019, and shall remain in force annually thereafter until revoked or modified by the Board.

Approved by ABE Board of Directors — November 2018.

## **ABE Grants in Small Bites**

### **The Organizations and Their Relationships**

The Endowment was formed in 1942 and it was “organized exclusively for charitable, educational, literary, religious and scientific purposes including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3), or as governmental organizations described in Section 179(c)(1), of the Internal Revenue Code of 1954.”

It was originally thought that charitable legacy donations from lawyers would fund the ABE’s charitable mission. That didn’t happen. The group life plan was created in 1955.

The American Bar Foundation was founded in 1952 with the understanding that its principal financial support would come from the Endowment. (Language from the historical document authored by Ron Foulis.) The first grant to the ABF was in FY 1956-57.

The Fund for Public Education, the predecessor of the Fund for Justice and Education was created by the Board of Governors of the ABA in 1961. In the 1963-64 fiscal year, the Fund for Public Education became the recipient of the first grant made by the ABE to an entity other than the ABF.

### **The Nature of the Legal Legacy Fund**

Between the period between 1957 and 1972, the cumulative difference between the grant payments and operating expenses and donated insurance dividends totaled \$10 million, which amount had been invested, becoming the Legal Legacy Fund.

Today the Legal Legacy Fund is an amalgam of market effect and accumulated funds that are the difference between total donated program dividends and paid grants and operating expenses. This operating surplus represents dollars currently in the Legal Legacy Fund that were not produced through investment returns.

### **Grant Calculations -- Broadly**

ABE Grant Guidelines – most recently amended in 2018, these Guidelines set out the process for identifying the amount of funds available for grants from the Legal Legacy Fund and the Foulis Fund.

**1988** Santa Fe Accords –agreement between the ABF and FJE that they would annually ask for equal amounts from the ABE.

**2017** MOA with the ABA –limits the dollars available for Opportunity Grants to \$300,000 or 4% of the total annual grant to FJE and ABF, whichever is less. Also retains concept of ABF and FJE getting equal grants.

### **Grant Calculation Specifics**

The calculation begins with the **Gross Dividends** from insurance

Minus a **Reserve for Dividend Refunds**;

Minus ABE **Operating Expenses**;

Plus any remaining **Reserve for Dividend Refunds** from previous year;

Minus 15% set aside per the ABE Grant Guidelines.

The resulting figure is the **Dividends Available** amount.

A rolling five-year average of the Dividends Available amount is calculated to smooth out year to year variations. The resulting calculation is **X** in the **Funds Available** calculation.

The **Value of the Legal Legacy Fund** is calculated on June 30 and a rolling five-year average of that amount is calculated. This becomes **Y** in the **Funds Available** calculation.

By the terms of ABE's Grant Guidelines, the Board can determine what percentage of the **Value of the Legal Legacy Fund**, up to **5%** of the Fund, can be used in the **Funds Available** calculation for any given year. That percent will be **Z%** in the **Funds Available** calculation.

A new addition to the calculation is the **Foulis Fund**. By the term of the ABE Grant Guidelines, up to 4% of the rolling five-year average of the value of the Foulis Fund (**B**) can be used for grants in any given year. (The principal of the Fund is not to be invaded.) That figure will be **A%(B)** in the **Funds Available** calculation.

**\*\*\*The equation for the calculation of Funds Available is therefore:  $X+Z\%(Y)+A\%(B)$ .**

### **Opportunity Grants**

In 2017, the ABE and the ABA entered into a MOA which dictated that the grants to the ABF and the FJE from the Legal Legacy Fund would be equal and that funds to be used for Opportunity Grants are annually limited to \$300,000 or 4% of the grants made to ABF and FJE, whichever is less.

### **How is the Legal Legacy Fund Affected by Grant Payments and Operating Expenses**

The Legal Legacy Fund was begun at some point after the creation of the ABE and by 1971, the amount of the Fund which had been accumulating from operating surpluses (the difference between grants made and operating expenses and donated dividends) and invested since 1957 reached the lofty sum of \$10 million.

**AMERICAN BAR ENDOWMENT GRANTS  
1956 - Present**

<u>YEAR</u>	<u>ABF</u>	<u>% OF ALLOCATION</u>	<u>FJE</u>	<u>% OF ALLOCATION</u>	<u>Other</u>	<u>% OF ALLOCATION</u>
1956 - 57	20,000	100%		0%		
1957 - 58	40,000	100%		0%		
1958 - 59	80,000	100%		0%		
1959 - 60	140,000	100%		0%		
1960 - 61	450,000	100%		0%		
1961 - 62	177,500	100%		0%		
1962 - 63	710,500	100%		0%		
1963 - 64	150,000	82%	32,000	18%		
1964 - 65	172,488	67%	83,333	33%		
1965 - 66	257,600	70%	107,110	29%	3,000	1%
1966 - 67	232,900	65%	108,333	30%	15,000	4%
1967 - 68	349,600	74%	88,700	19%	32,000	7%
1968 - 69	715,000	67%	329,353	31%	30,000	3%
1969 - 70	792,500	56%	563,348	40%	50,000	4%
1970 - 71	833,006	50%	757,955	46%	71,800	4%
1971 - 72	837,078	42%	922,896	47%	215,900	11%
1972 - 73	2,297,352	66%	1,181,739	34%	18,000	1%
1973 - 74	1,223,094	40%	1,582,359	51%	279,500	9%
1974 - 75	1,158,959	33%	1,804,288	52%	533,350	15%
1975 - 76	1,961,913	41%	2,261,959	48%	511,714	11%
1976 - 77	1,491,431	47%	1,400,000	44%	309,040	10%
1977 - 78	1,470,000	45%	1,470,000	45%	295,646	9%
1978 - 79	1,620,000	45%	1,716,999	48%	265,463	7%
1979 - 80	2,270,000	52%	1,860,580	42%	267,038	6%
1980 - 81	2,100,000	45%	2,300,000	50%	240,000	5%
1981 - 82	2,300,000	47%	2,300,000	47%	325,000	7%
1982 - 83	2,200,000	47%	2,200,000	47%	280,000	6%
1983 - 84	2,000,000	48%	2,000,000	48%	150,000	4%
1984 - 85	2,433,018	51%	2,200,000	46%	150,000	3%
1985 - 86	2,915,236	36%	4,000,000	50%	1,100,000	14%
1986 - 87	2,175,000	39% *	3,410,000	61% *		
1987 - 88	2,255,000	43% *	3,000,000	57% *		
1988 - 89	2,500,000	50%	2,500,000	50%		
1989 - 90	2,800,000	50%	2,800,000	50%		
1990 - 91	3,600,000	50%	3,600,000	50%		
1991 - 92	2,900,000	50%	2,900,000	50%		



<u>YEAR</u>	<u>ABF</u>	<u>% OF ALLOCATION</u>	<u>FJE</u>	<u>% OF ALLOCATION</u>	<u>Other</u>	<u>% OF ALLOCATION</u>
1992 - 93	2,600,000	84% *	500,000	16%	*	
1993 - 94	3,000,000	67% *	1,500,000	33%	*	
1994 - 95	3,090,500	66% *	1,590,500	34%	*	
1995 - 96	3,200,000	56% *	2,500,000	44%	*	
1996 - 97	3,250,000	46% *	3,785,777	54%	*	
1997 - 98	3,100,000	50%	3,100,000	50%		
1998 - 99	3,551,460	50%	3,551,460	50%		
1999 - 00	4,219,963	50%	4,219,963	50%		
2000 - 01	4,638,929	50%	4,638,929	50%		
2001 - 02	4,732,150	50%	4,732,150	50%		
2002 - 03	4,957,174	50%	4,957,174	50%		
2003 - 04	3,725,621	50%	3,725,621	50%		
2004 - 05	3,819,532	50%	3,819,532	50%		
2005 - 06	3,813,143	50%	3,813,143	50%		
2006 - 07	3,677,773	50%	3,677,773	50%		
2007 - 08	3,702,138	50%	3,702,138	50%		
2008 - 09	3,750,000	50%	3,750,000	50%		
2009 - 10	3,750,000	50%	3,750,000	50%		
2010 - 11	3,524,213	50%	3,524,213	50%		
2011 - 12	3,290,626	50%	3,290,626	50%		
2012 - 13	3,160,518	50%	3,160,518	50%		
2013 - 14	3,365,369	50%	3,365,369	50%		
2014 - 15	3,012,373	50%	3,012,373	50%		
2015 - 16	3,338,594	50%	3,338,594	50%		
2016 - 17	2,930,998	50%	2,930,998	50%		
2017 - 18	3,414,720		3,414,720		343,815	
2018 - 19	3,545,630		3,545,630		296,694	
2019 - 20	3,241,519		3,241,519		413,716	
2020-2021	3,443,895		344,895		274,500	
2021-2022	3,496,588		3,496,588		279,727	
2022-2023	\$3,684,288		3,684,288		295,000	
2023-2024	\$3,697,357		\$3,697,357		295,201	
<b>TOTAL</b>	<b>\$163,354,246</b>	<b>50%</b>	<b>\$154,842,800</b>	<b>47.6%</b>	<b>7,341,104</b>	<b>2.3%</b>

GRAND TOTAL ALL GRANTS: \$325,538,149 2,198,653

\* After the ABF and FJE signed the Santa Fe Accord, any annual grant distribution that wasn't split equally required agreement from both parties.

**AMERICAN BAR FOUNDATION  
Application to the American Bar Endowment  
Funding for Fiscal Year 2024-2025**

**January 2024**

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**AMERICAN BAR FOUNDATION**  
**Application to the American Bar Endowment**  
**Funding for Fiscal Year 2024-2025**

**January 2024**

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January 5, 2024

Howard Vogel, President  
Honorable Lora J. Livingston, Grants Committee Chair  
Dana Hill, Executive Director  
American Bar Endowment  
321 N. Clark Street, Suite 1400  
Chicago, IL 60654

Dear Howard, Judge Livingston, and Dana:

As always, we are deeply grateful to you and your American Bar Endowment (“ABE” or “Endowment”) colleagues for the essential support that you provide to the American Bar Foundation (“ABF” or “Foundation”). On behalf of the ABF, we are honored to submit the enclosed application for a grant of \$3,700,000 for the coming 2024-25 fiscal year. The ABF can only conduct its mission of expanding knowledge and advancing justice with the ABE’s continuing assistance. We look forward to many more years of this highly productive partnership.

In accordance with your grant application request, this cover letter serves as our proposal narrative. Attached, please find our full grant application, containing the following materials:

1. Cover Letter (this document, under Tab 1)
2. Official Grant Application (Tab 2)
3. Most recent IRS Determination Letter (Tab 3)
4. ABF Financial Reports (Tab 4):
  - 4.1.ABF FY22 Audit Report
  - 4.2.ABF FY23-FY25 Budgets and Financial Reports
5. List of Current ABF Board of Directors (Tab 5)
6. Summary of Current ABF Research and Publications (Tab 6)
  - 6.1.List of Recent ABF Research Projects and Their Impact
  - 6.2.Summary of ABF Publications 2022-23
7. Description of Current and Ongoing ABF Development and Fundraising Efforts (Tab 7)
8. Summary of ABF Acknowledgements of ABE Support (Tab 8)

In this cover letter and proposal narrative, we summarize key aspects of our broader grant application. We begin with a description of several current and anticipated ABF research projects and programs. Next, we highlight our main revenue and expense estimates for the current and upcoming fiscal years. We then summarize our ongoing and planned development and fundraising

efforts; and finally, we conclude with a brief description of how we acknowledge the ABE's indispensable support in our many ABF communications. Each of these sections maps onto a subsequent tab in our application packet, where you will find a more detailed presentation.

## **I. Current and New Projects Planned for Fiscal Year 2023-24**

The ABF organizes its research around three core themes: (1) Learning and Practicing Law; (2) Protecting Rights, Accessing Justice; and (3) Making and Implementing Law. To illustrate the continuing relevance of each of these themes, this section highlights a small selection of the ABF's many ongoing projects and initiatives. **Tab 6** of this grant application lists many more of our current projects and describes their publications and impact.

Across our entire research portfolio, the ABF has earned a sterling reputation for quality, integrity, and independent analysis. This hard-won credibility enhances not only the influence of ABF research in the scholarly world but also the impact of ABF research in the world of policy. Among the clearest indicators of the global respect for our research is the fact that our researchers are frequently called upon to serve as experts within the profession and beyond. A few of the most noteworthy instances in the past year include the following: Laura Beth Nielsen discussed legal accountability and sexual violence with *PBS NewsHour* anchor Amna Navaz; Tom Ginsburg was cited in the *New Yorker* (twice) for his work on the erosion of constitutional democracy; Ajay Mehrotra provided an historical perspective on windfall profit taxes in the *Washington Post*; William H. J. Hubbard offered insight into India's strained justice system on the BBC; and recent postdoctoral fellow Hardeep Dhillon published an essay in *The Smithsonian* on the history of birthright citizenship, which MSNBC cited as a window into what ending birthright citizenship could entail today. In addition to major national newspapers, radio, and television, ABF researchers are well-represented in leading legal trade publications, such as *Bloomberg Law* and *Law360*, as well as in scholarly journals, including *Law & Social Inquiry* and *Law & Society Review*. ABF faculty also garnered many highly competitive honors during the past year: Reuben Jonathan Miller won the American Society of Criminology's Michael J. Hindelang Outstanding Book Award for his recent book, *Halfway Home: Race, Punishment, and the Afterlife of Mass Incarceration*; Tom Ginsburg won the American Society of International Law's Robert E. Dalton Award for Outstanding Contribution in the Field of Foreign Relations Law; and Jothie Rajah and Anna Reosti were named Book Review Editors of *Law & Society Review*.

### ***A. Learning and Practicing Law***

Since at least the 1980s, the ABF has been the world's leading research institute for the empirical study of legal education and the legal profession. In this section, we highlight two ABF research projects that fall within this category. The first explores the standing, progress, and challenges of the Asian American legal community; the second examines of the difficult and often dangerous work of lawyer activists in the People's Republic of China.

1. **Portrait Project 2.0: Asian Americans in the Legal Profession – *Ajay Mehrotra (with Hon. Goodwin Liu, and Shih-Chun Chien)***: This multi-wave project explores the factors, from self-selection to discrimination, that shape the careers of Asian American and Pacific Islander (AAPI) lawyers, determining their entry into the upper echelons of the profession. Using surveys, focus groups, and data from the ABF’s After the JD study (see below), the researchers examine a wide range of career milestones, including law school enrollment and graduation, entry into and attrition out of large law firms, hiring and promotion within corporate legal departments, and pursuit of judicial clerkships.

The second wave of the study finds intriguing changes in the wake of COVID-19, racial justice protests, and rising anti-Asian hate crime: AAPI attorneys report increasing social and political engagement, desire to improve society, and racial-justice advocacy, with particularly marked shifts among first-generation immigrants. AAPI law-school enrollments have rebounded slightly from pre-pandemic lows, and growing numbers of senior AAPI attorneys have garnered judicial and general counsel roles. However, challenges persist, including ongoing workplace discrimination and under-representation among judicial clerks, large-firm equity partners, and federal prosecutors.

2. **The Rise of Lawyer Activism in China – *Terence Halliday (with Sida Liu)***: This project extends Halliday and Liu’s previous work on the role of lawyers in defending basic legal freedoms in China. But here, the researchers shift from studying everyday criminal defense attorneys (who mostly engage with low-level functionaries over relatively routine matters) to studying elite human-rights lawyers who directly challenge the Chinese state. The research, which draws heavily on in-person interviews and participant observation, has persisted intrepidly despite disruptions from repeated Chinese government crackdowns and the global coronavirus pandemic.

The resulting picture is both fascinating and important, shedding new light on the prospects for liberal reform in China’s increasingly authoritarian regime. Despite their high individual profiles, China’s elite human-rights lawyers are not “lone guns.” Rather, they are embedded in wider cross-border networks, with substantial capacity to mobilize domestic and international support for legal change. Interestingly, these networks operate largely *outside* the traditional Chinese legal hierarchy, leveraging extra-professional connections with international organizations, the global media, and China’s web of unofficial Protestant churches.

Also in this “Learning and Practicing Law” portfolio, we are proud to announce the recent release of the capstone volume from the ABF’s long-running After the JD project. ***The Making of Lawyers Careers: Inequality and Opportunity in the American Legal Profession*** (University of Chicago Press) is the third – and crowning – book from this decades-long study, tracing the career trajectories of thousands of lawyers who passed the bar exam in 2000. Publicity and



dissemination events will take place over the coming months, culminating in a two-day conference, funded by the ABF's Hubbard endowment, at Stanford Law School in March 2024.

### ***B. Protecting Rights, Accessing Justice***

The second category of ABF research, “protecting rights and accessing justice,” explores how individual claimants encounter, experience, and mobilize (or challenge) the law. Here we highlight two projects that showcase the ABF's conceptual and methodological breadth. The first is an experimental study by social-psychologist Janice Nadler of how emotionally charged photographic evidence affects (and often distorts) juror reactions. The second is a large quantitative study by criminologist John Hagan, combining data from multiple national surveys to explore how school policing connects neighborhood segregation to mass incarceration.

- 1. The Probative Versus Prejudicial Effect of Gruesome Photographs in Court – *Janice Nadler*:** In the past decade, the ubiquity of cellphone cameras has sparked an explosion of visual evidence in American courtrooms – much of it gruesome or emotionally charged. But empirical knowledge about the impact of these images lags far behind. This project is among the first to examine how such evocative imagery affects jury decision making. Nadler's research team is conducting a series of experiments comparing how research subjects (both individually and in mock juries) respond to gruesome photographs, versus verbal descriptions or more neutral images. To inform legal practice, Nadler's experiments are also testing various possible safeguards, such as substituting black and white photographs, or instructing jurors on the potentially prejudicial impact of disturbing displays.

This project has taken an intriguing turn since its inception: While conducting their experiments on the impact of post-mortem photographs, the researchers learned of a recent spate of “Victim Life Photograph” laws, permitting presentation of *pre*-mortem photographs of murder victims, regardless of probative value. Curious about whether such living-victim photographs might increase the prejudicial effects of gruesome post-mortem images, Nadler's team added a series of follow-up experiments, which found a striking pattern: White mock jurors who viewed the combination of *pre*-mortem and post-mortem photos were more likely to convict – but only when the victim was White, not Latina or Black. This suggests that Victim Life Photograph laws may unintentionally exacerbate racial disparities in the criminal justice system. Forthcoming in *Law & Human Behavior*, Nadler's serendipitous findings validate the ABF's approach of placing world-class socio-legal researchers in dialog with leading practitioners, and then encouraging them to pursue their most creative ideas, wherever those inspirations may lead.

- 2. Influences of State Policies and Racialized Parental Incarceration – *John Hagan (with Holly Foster)*:** With seed funding from the ABF and a subsequent research grant from the National Science Foundation, this project extends the investigators' award-winning prior work on mass incarceration, to explore whether investments in families,

children, and schools can mitigate the negative effects of parental imprisonment. The research is critically important not only for criminal justice policy but also for racial equity, given the disproportionate impact of mass incarceration on African American families and communities. Drawing on two large datasets (with over 8,000 respondents), the study leverages interstate variation in policies on parental incarceration, family welfare, and public education to disentangle how the web of exclusionary and inclusionary practices shapes the life courses of White, Black, and Latinx youth.

Preliminary results suggest that schools in segregated neighborhoods are more heavily policed, and that this in-school policing amplifies perceptions of police bias, especially among African American men. Moreover, the shadow of school policing extends well into adulthood, increasing Black men's life-long risks of social and financial exclusion. In future work, the research team hopes to extend these findings into a broader account of the role of neighborhoods and schools in perpetuating the intergenerational transmission of incarceration, social marginalization, and economic disadvantage. The initial message is that while school spending may matter, the *nature* of that spending may matter even more.

### ***C. Making and Implementing Law***

The third category of ABF research and programming addresses the often-neglected question of how laws come into being and enter into practice. The two projects summarized below illustrate the value of broad historical and cross-national research for uncovering the underlying forces that shape the law as we know it. In the first, historian Christopher Schmidt explores how the place of the Supreme Court in American culture and politics has changed since the *Lochner* era. And in the second, sociologist Carol Heimer examines the “legalization” of HIV/AIDS care across multiple sites in both the Global North and the Global South.

- 1. Our Court: A New History of the United States Supreme Court – *Christopher Schmidt*:** This project examines the US Supreme Court's changing relationship with various extrajudicial actors – from presidents to interest groups to everyday citizens – over the past century. The research explores how the Supreme Court has evolved from an institution that, in the 1930s, was generally understood as standing apart from society into an institution that politicians, reformers, and much of the public now treat as an integral component of American political and cultural life. Using both primary and secondary sources, the project develops a series of historical case studies tracing how the Court has increasingly come to be seen as an essentially *political* institution, speaking in the principled language of law, but intimately intertwined with the demands, expectations, and fears of the American people and their elected representatives.

Initial findings suggest two sides to the story: one centering on changes in what outside actors expect of the justices, and the other centering on changes in how the justices themselves understand their role. Ironically, the career identities of the justices have become

less overtly political and more ostensibly legal/professional over the past century. Yet, even as the justices become more lawyerly in their backgrounds and more vocal in their defense of the Court's apolitical character, they encounter both mounting criticism for serving partisan interests and growing pressure to stake out positions on one side of the partisan divide or the other. As a result, the Court now faces a crisis of legitimacy, with the surrounding society increasingly seeing the justices' protestations of principled detachment as disingenuous. Understanding this dynamic will be crucial for any attempt at reforming and repairing the relationship between the Court and the public going forward.

- 2. The Legal Transformation of Medicine: How Rules Work in the International World of HIV/AIDS – Carol Heimer:** This major book project is a cross-national comparative study of how “hard” and “soft” law shapes HIV care in the United States, Uganda, South Africa, and Thailand. It investigates what happens when statutes, regulations, guidelines, and other rules – often evidence-based and well-intentioned – diffuse from their origins in the Global North to new sites in the Global South, where they meet with the realities of resource shortages, desperation, and intercultural miscommunication. Combining expert-informant interviews and ethnographic fieldwork in five HIV clinics around the globe, the project melds a “making law” examination of national and international health policy with an “implementing law” exploration of how the resulting plethora of rules actually affects what healthcare providers do in their daily work.

Heimer's book manuscript from this project, *Governing the Global Clinic: The Legal Transformation of Medicine*, is now forthcoming from the University of Chicago Press. It contains a wealth of significant findings, revealing that the “legalization” of HIV care matters – but primarily in unintended and counterproductive ways: International organizations make global regulation real through their funding and compliance policies, but often with little regard for the exigencies of the Global South. The resulting confusion about the provenance and jurisdiction of new rules often stalls patient care; yet corrective efforts to clarify and formalize can impede the “de-implementation” of obsolete rules when technological or epidemiological conditions change. For policymakers, such findings suggest that it may be unwise to “harden” rules while the contours of a health crisis are still emerging. As an alternative, Heimer argues for broad-based participation in both policy-making and implementation: The inclusion of patients and activists as well as doctors, lawyers, and other professionals encourages all parties to think about what they owe each other and to resist basing policies only on the perspectives of empowered elites.

## II. ABF Revenues and Expenses – Current and Next Fiscal Years

The ABE's generous ongoing support fuels the research projects described above, and we steward our ABE funds with great care. To clarify how the ABE annual grant fits into the ABF's overall financial picture, this section summarizes the main sources of ABF revenues and expenses for the current and upcoming fiscal years. More detailed budget and finance tables can be



In addition to these internal ABF research and programming costs, we anticipate spending an additional \$970,000 on research funded by external third parties. This figure includes grants from organizations such as the National Science Foundation (NSF) and the JPB Foundation. We also expect to devote a further \$110,000 in ABF endowment revenue to faculty salary and research support, through the Neukom Fellows Research Chair in Diversity and Law.

**B. Next Fiscal Year (2024-25)**

**1. Next Fiscal Year Revenue:** For the next fiscal year, we expect our total revenue to grow slightly to \$9.3 million, assuming an unchanged \$3.7 million ABE grant. Under our preliminary budget projections, our four largest sources of 2024-25 revenue (and their percentage of total revenue) will be as follows:

- **American Bar Endowment Grant** **\$3.7 million (40%)**
- ABF Fellows Donations \$2.3 million (25%)
- Third-Party Grants \$1.5 million (16%)
- ABF Endowment Income \$1.5 million (16%)

**2. Next Fiscal Year Expenses:** We anticipate that our total research expenses for next fiscal year will increase slightly to \$5.4 million. Overall spending across our largest research expense categories will be relatively stable, at approximately \$4.2 million, and will consist of the following expected expenditures:

- Research Faculty Salaries & Benefits \$ 2.3 million
- Research Projects (ABF internal variable costs) \$ .8 million
- Fellowships, Journal, and Academic Affairs \$ 1.1 million
- Subtotal of top research expenses:** **\$ 4.2 million**

As these summary figures illustrate, we will dedicate the entirety of our requested \$3.7 million grant to research and programming. *No ABE funding will go to administrative salaries or overhead.* Our anticipated research and programming expenses easily exceed the requested award, and indeed, if we were to have the good fortune of receiving a higher-than-expected ABE contribution for next year – even up to approximately \$4 million – you could still rest assured that all of your funding would support ABF research and programming, not administrative expenses.

**III. Current and Planned ABF Fundraising and Development Efforts**

As detailed above, the ABE annual grant remains our most significant source of revenue, as it has for the last seven decades. However, we are also making dramatic strides in expanding our other revenue sources, in order to leverage the ABE’s foundational support into a larger, more diverse, and more visible research portfolio than the ABE grant alone would permit. This section

describes three steps we have taken in the past several years. A more complete description appears at **Tab 7**.

### ***A. The Fellows of the American Bar Foundation***

The Fellows of the American Bar Foundation, an international honorary society of more than 15,000 leading legal professionals, has grown into the ABF's second-largest funding source, after the ABE annual grant. Fellows' contributions have accounted for approximately 30% of total ABF revenue since FY 2014-15, and we expect the Fellows to provide well over \$2 million both this year and next. These funds support the ABF's general operations as well as our robust research portfolio. Equally important, gatherings of the Fellows showcase ABF scholarship, foster ties between ABF researchers and the practicing bar, and build loyalty and recognition for the ABF, the ABA, and the ABE (whose vital backing is acknowledged at every Fellows event). Except during the first year of the COVID pandemic, the ABF has consistently added 600-1,000 new Fellows annually, with approximately 700 inductees expected in the current fiscal year. In addition to strengthening the ABF's own ties to the practicing bar, our outreach to prospective Fellows also complements the ABA's parallel recruiting efforts: In collaboration with the ABA, we have contacted close to 1000 non-ABA members since 2014, leading more than 175 to join both the ABA and the Fellows.

### ***B. Third-Party Grants***

In recent years we have significantly expanded our external grant-seeking efforts, with substantial success: In FY 2022-23, both the AccessLex Institute and the National Science Foundation (NSF) awarded major grants to the ABF's doctoral and postdoctoral fellowship programs, providing vital support for additional cohorts of research trainees over the coming three years. Additionally, the ABF's Access to Justice Initiative (itself seeded by a major grant from the JPB Foundation) received a \$48,000 subaward to collaborate with former ABF/JPB Scholar Michele Statz on a \$1 million NSF "CIVIC" project, building a community justice-worker network in rural Alaska. Collectively, such third-party grants bolster our capacity to support fellowships, workshops, and faculty research – and we are gratified to see several of these funding streams maturing into lasting inter-institutional partnerships.

### ***C. Private Donors***

We have also achieved remarkable success in major gifts and planned giving in recent years, significantly growing our restricted endowments and enhancing our relationships with private individuals and institutional donors. One example is the William H. Neukom Fellows Research Chair in Diversity and Law Endowment, which, each year, brings a leading diversity scholar to the ABF as a yearlong visitor. These visitorships have been a resounding success, and we hope ultimately to be able also to fund a permanent position from this endowment. A second example is the William C. Hubbard Law and Education Conference Endowment, which supports a high-

profile biennial conference on the intersection between learning and legality. Building on these successes, we are now fundraising for the Ruth Bader Ginsburg Endowment for Research in Civil Rights and Gender Equality. In its first two years, this endowment has already raised more than \$300,000 from individual and organizational donors, including not only ABF Fellows, officers, and directors, but also several individuals and law firms that had never before contributed to our work. We also continue to pursue new alternatives for private giving, including: event sponsorships from law firms and other institutions; the ABF Legacy Society, for individuals donating through estate plans; and (launching in the coming year) an ABF Alumni Association for former students, faculty, staff, and affiliated scholars.

\*\*\*\*\*

In short, we are aggressively raising funds from both old and new sources. But we hope and believe that the ABE will always be our most important institutional partner and financial supporter. We have grown up together and the relationship is vital to our existence.

#### **IV. ABF's Acknowledgement of ABE Support**

Throughout our long and storied partnership, the Foundation has gratefully acknowledged the Endowment's generous support for our research and programming. We continue to do so at every opportunity: All formal ABF communications, from press releases to annual reports to policy briefs, list the ABE as our primary funder. In addition, our website and electronic communications provide frequent hyperlinks to the ABE's home page. Perhaps most significantly, our mailings to our ABF Fellows community always contain a similar acknowledgement of ABE support and often also include publicity for ABE Opportunity Grants. With roughly 15,000 Fellows worldwide, these messages reach a broad audience of ABF constituents, who are well aware (or soon become aware) of the Endowment's crucial role in our research. Similar language also appears in the invitations that we send to more than 3,500 Fellows nominees each year. Further, ABF researchers explicitly express their personal appreciation for ABE support in their various research publications. For instance, *The Making of Lawyers' Careers*, the capstone After the JD volume described in Section 1.A. above, credits your steadfast partnership with the ABF across the long life of the project. For more on how we acknowledge the ABE's sustaining contribution to our work, please see **Tab 8**.

#### **IV. Conclusion**

In conclusion, we are very proud of what the ABF has accomplished – and of what we can accomplish in the future – with the generous grant funding that you entrust to us. As you review the materials in our application, we hope you will be equally proud of what your support has enabled. Since our founding in 1952, we have welcomed our partnership with the American Bar Endowment. We cherish and celebrate all the innovative and influential research and program-

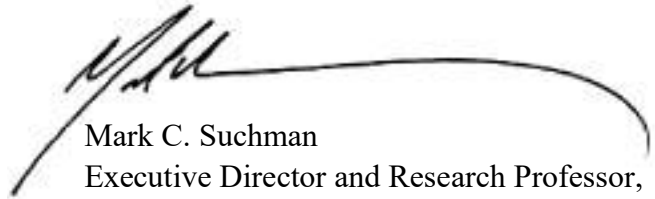
ming that the ABF and ABE have produced together for the last seven decades, and we look forward to continuing our collaboration for many years to come.

Thank you for your thoughtful consideration of our grant request. We are ever grateful for the ABE's steadfast and unwavering support.

Sincerely,

A handwritten signature in black ink, appearing to read "Jimmy K. Goodman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jimmy K. Goodman  
President, American Bar Foundation

A handwritten signature in black ink, appearing to read "Mark C. Suchman". The signature is very fluid and cursive, with a long, sweeping horizontal stroke that extends to the right.

Mark C. Suchman  
Executive Director and Research Professor,  
American Bar Foundation



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## American Bar Endowment

### Grant Application

#### Instructions

Please complete and sign the following form and submit requested documents. You can e-mail your completed application, including listed attachments to Dana Sturtz Hill at [dhill@abenet.org](mailto:dhill@abenet.org) and cc to Izzy Eisen at [ieisen@abenet.org](mailto:ieisen@abenet.org). If you have any questions, please contact Izzy Eisen at 312/988-6402 or [ieisen@abenet.org](mailto:ieisen@abenet.org).

#### Applicant Organizational Information

Applicant name (including any assumed business name(s) used): American Bar Foundation

The amount requested from the ABE: \$3,700,000

Frequency of payments: Quarterly

Payment to start: September 1, 2024

#### Principal Contact for this Grant Application

Name: Mark Suchman

Title: Executive Director

Email address: [msuchman@abfn.org](mailto:msuchman@abfn.org)

Phone: 312-988-6548

Street Address: 750 N. Lake Shore Drive, 4<sup>th</sup> Fl.

City: Chicago State: IL Zip: 60611

The applicant is recognized by the United States Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code and in the following category (check the appropriate box):

- Sections 509(a)(1) and 170(b)(1)(A)(vi)
- Sections 509 (a) (1), other than Section 170(b)(1)(A)(vi)
- Sections 509(a)(2)
- Sections 509 (a)(3)
- Sections 509(a)(4)

Applicant EIN: 36-6110271

Link to the organization's most recent 990 filing: [ABF FY22 990](#)

Please submit the following documents as part of a complete proposal.

Application cover letter addressed to the ABE president.

Proposal Narrative, answering these questions:

- Description of the planned new projects for FY 2025
- Summary of impact of the projects funded by the ABE in FY 23 and to date in the current fiscal year.
- Summary of current and planned fundraising efforts.
- Summary of how the applicant will publicly recognize the ABE grant.

Most recent IRS determination letter.

Most recent audited financial statement.

Financial report of actual expenses and revenue from the most recently completed fiscal year.

Proposed organizational budget of expenses and revenue for the year for which funds are requested. The budget should contain a column indicating which expenses ABE funds will support.

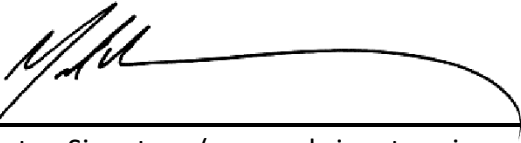
List of organization's Board of Directors with names and affiliations.

List of publications from the most recently completed fiscal year.

By signing this application, the applicant certifies the following:

1. To the best of the knowledge of the Applicant's officers and directors/trustees, no proposal, threat or suggestion by the Internal Revenue Service has been made concerning the Applicant's 501(c)(3) status.
2. The funds received from the ABE will not be used to lobby or otherwise attempt to influence legislation or to conduct any activities described in Sections 4945(d) and (e) of the United States Internal Revenue Code. ABE funds will not be used to conduct voter registration drives or activities or to support or oppose any candidate for elected public office.
3. The funds received from the ABE will only be used to support programs and activities deemed charitable under Section 501(c)(3) of the United States Internal Revenue Code.
4. The Applicant does not discriminate in conducting affairs against any person on the basis of race, color, national origin/ancestry, religion, sex, sexual orientation, gender identity or expression, age, physical and mental disability, marital status, military or veteran status, or any other basis protected by federal, state or local law, ordinance, or regulation.
5. The application is signed by an authorized Board officer or senior staff person (Executive Director or Chief Financial Officer).
6. The Applicant will advise the American Bar Endowment of any change in these certifications while the application is being considered and during the grant period.

7. ABE funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224.



January 5, 2024

---

Grantee Signature (scanned signature is acceptable)

Date

Mark C. Suchman

Executive Director

---

Print Name

Title

Email address: [msuchman@abfn.org](mailto:msuchman@abfn.org)

Phone: 312-988-6548

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**Internal Revenue Service**

**Department of the Treasury**

P. O. Box 2508  
Cincinnati, OH 45201

Date: July 16, 2002

Person to Contact:  
Ms. Edwards 31-07427  
Customer Service Representative  
Toll Free Telephone Number:  
8:00 a.m. to 8:30 p.m. EST  
877-829-5500

American Bar Foundation  
750 N Lake Shore Dr.  
Chicago, IL 60611

Fax Number:  
513-263-3756  
Federal Identification Number:  
36-6110271

Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in February 1962 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$26,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

American Bar Foundation  
36-6110271

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

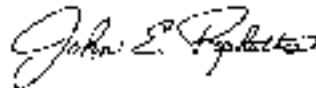
The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE  
Customer Account Services

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# American Bar Foundation

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**Financial Report  
August 31, 2022**



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## Independent Auditor's Report

To the Board of Directors  
American Bar Foundation

### **Opinion**

We have audited the financial statements of American Bar Foundation (the "Foundation"), which comprise the statement of financial position as of August 31, 2022 and 2021 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of August 31, 2022 and 2021 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Foundation and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

### **Auditor's Responsibilities for the Audits of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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.

To the Board of Directors  
American Bar Foundation

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Foundation'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 Foundation'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Plante & Moran, PLLC*

January 6, 2023

Statement of Financial Position

August 31, 2022 and 2021

	2022	2021
<b>Assets</b>		
Cash	\$ 1,779,000	\$ 2,475,611
Investments (Notes 3 and 4)	28,578,442	31,172,584
Receivables:		
Contribution and grant receivables	343,997	556,407
Related party receivable (Note 5)	3,684,288	3,496,588
Total receivables	4,028,285	4,052,995
Prepaid expenses	62,109	125,336
Beneficial interest in trust	19,500	17,000
Property and equipment - Net (Note 6)	97,109	82,124
Total assets	<b>\$ 34,564,445</b>	<b>\$ 37,925,650</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 153,423	\$ 354,387
Refundable grant advances	261,626	631,672
Due to related party (Note 5)	74,805	54,674
Accrued vacation benefits and payroll	318,716	304,705
Capital lease obligations	29,658	43,612
Deferred rent	212,138	160,065
Note payable (Note 9)	-	175,532
Total liabilities	1,050,366	1,724,647
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	802,531	637,256
Board-designated net assets for endowment (Note 12)	19,900,665	21,800,372
With donor restrictions (Notes 11 and 12)	12,810,883	13,763,375
Total net assets	33,514,079	36,201,003
Total liabilities and net assets	<b>\$ 34,564,445</b>	<b>\$ 37,925,650</b>

Statement of Activities and Changes in Net Assets

Years Ended August 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
American Bar Endowment Grant	\$ -	\$ 3,684,288	\$ 3,684,288	\$ -	\$ 3,496,588	\$ 3,496,588
Membership fees/contributions - The Fellows	2,335,763	-	2,335,763	2,415,318	-	2,415,318
Other contributions and support	1,305,625	165,666	1,471,291	939,666	802,117	1,741,783
Other contributions of nonfinancial assets	37,008	-	37,008	160,500	-	160,500
Net assets released from restrictions - Spending allowance	151,850	(151,850)	-	152,286	(152,286)	-
Endowment spending allowance	133,911	-	133,911	167,033	-	167,033
Net assets released from restrictions	3,969,384	(3,969,384)	-	3,724,651	(3,724,651)	-
Total revenue, gains, and other support	7,933,541	(271,280)	7,662,261	7,559,454	421,768	7,981,222
<b>Expenses</b>	7,900,913	-	7,900,913	7,530,021	-	7,530,021
<b>Increase (Decrease) in Net Assets - Before nonoperating (expense) income</b>	32,628	(271,280)	(238,652)	29,433	421,768	451,201
<b>Nonoperating (Expense) Income</b>						
Net realized and unrealized (losses) gains on investments	(2,346,442)	(1,001,384)	(3,347,826)	2,867,388	1,187,854	4,055,242
Paycheck Protection Program loan forgiveness	-	-	-	718,857	-	718,857
Income on investments - Net of fees	713,293	320,172	1,033,465	578,344	246,215	824,559
Change in postretirement benefits not yet recognized in operations	-	-	-	(128,081)	-	(128,081)
Endowment spending allowance	(133,911)	-	(133,911)	(167,033)	-	(167,033)
Total nonoperating (expense) income	(1,767,060)	(681,212)	(2,448,272)	3,869,475	1,434,069	5,303,544
<b>(Decrease) Increase in Net Assets</b>	(1,734,432)	(952,492)	(2,686,924)	3,898,908	1,855,837	5,754,745
<b>Net Assets - Beginning of year</b>	22,437,628	13,763,375	36,201,003	18,538,720	11,907,538	30,446,258
<b>Net Assets - End of year</b>	<b>\$ 20,703,196</b>	<b>\$ 12,810,883</b>	<b>\$ 33,514,079</b>	<b>\$ 22,437,628</b>	<b>\$ 13,763,375</b>	<b>\$ 36,201,003</b>

Statement of Functional Expenses

Year Ended August 31, 2022

	Program Services				Support Services				Total Expenses
	Research	The Fellows of the American Bar Foundation	Law and Social Inquiry (Journal)	Academic Affairs and Fellowships	Total Program Services	Administrative, Facilities, and Communication	Fundraising and Development	Total Support Services	
Salaries, wages, stipends, and fringe	\$ 2,777,763	\$ 210,929	\$ 100,857	\$ 512,589	\$ 3,602,138	\$ 1,095,264	\$ 347,326	\$ 1,442,590	\$ 5,044,728
Occupancy	294,511	33,554	25,144	177,539	530,748	298,419	46,126	344,545	875,293
Meetings, functions, and travel	253,423	95,034	-	79,814	428,271	97,802	43,972	141,774	570,045
Business administration	89,788	69,062	6,691	47,484	213,025	132,304	15,706	148,010	361,035
Professional services and subawards	547,500	6,158	15,900	15,801	585,359	165,380	3,605	168,985	754,344
Printing and publications	16,419	20,362	-	1,807	38,588	5,873	77,959	83,832	122,420
Office expenses and other	32,092	39,300	-	17,079	88,471	65,079	19,498	84,577	173,048
<b>Total functional expenses</b>	<b>\$ 4,011,496</b>	<b>\$ 474,399</b>	<b>\$ 148,592</b>	<b>\$ 852,113</b>	<b>\$ 5,486,600</b>	<b>\$ 1,860,121</b>	<b>\$ 554,192</b>	<b>\$ 2,414,313</b>	<b>\$ 7,900,913</b>

Statement of Functional Expenses

Year Ended August 31, 2021

	Program Services				Support Services				Total Expenses
	Research	The Fellows of the American Bar Foundation	Law and Social Inquiry (Journal)	Academic Affairs and Fellowships	Total Program Services	Administrative, Facilities, and Communication	Fundraising and Development	Total Support Services	
Salaries, wages, stipends, and fringe	\$ 2,948,270	\$ 201,489	\$ 99,236	\$ 346,023	\$ 3,595,018	\$ 1,072,206	\$ 378,917	\$ 1,451,123	\$ 5,046,141
Occupancy	389,797	35,193	16,037	159,037	600,064	238,231	41,430	279,661	879,725
Meetings, functions, and travel	7,538	11,013	-	1,432	19,983	26,121	4,771	30,892	50,875
Business administration	86,509	72,092	5,593	27,838	192,032	122,777	24,824	147,601	339,633
Professional services and subawards	583,858	2,900	26,500	7,740	620,998	366,692	6,090	372,782	993,780
Printing and publications	653	1,956	-	2,434	5,043	27,414	73,223	100,637	105,680
Office expenses and other	22,339	37,820	500	11,079	71,738	17,255	25,194	42,449	114,187
Total functional expenses	<b>\$ 4,038,964</b>	<b>\$ 362,463</b>	<b>\$ 147,866</b>	<b>\$ 555,583</b>	<b>\$ 5,104,876</b>	<b>\$ 1,870,696</b>	<b>\$ 554,449</b>	<b>\$ 2,425,145</b>	<b>\$ 7,530,021</b>

Statement of Cash Flows

Years Ended August 31, 2022 and 2021

	2022	2021
<b>Cash Flows from Operating Activities</b>		
(Decrease) increase in net assets	\$ (2,686,924)	\$ 5,754,745
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation	22,607	13,475
Change in deferred rent	52,073	70,896
Change in beneficial interest in trust	(2,500)	(500)
Realized and unrealized losses (gains) on investments	3,347,826	(4,055,242)
Donor-restricted contributions	(53,897)	(302,886)
Pension-related changes other than periodic pension expense	-	128,081
Forgiveness of the Paycheck Protection Program term loan	-	(718,857)
Changes in operating assets and liabilities that provided (used) cash:		
Receivables	24,710	(340,764)
Prepaid expenses	63,227	(53,845)
Accounts payable and accrued expenses	(200,964)	192,407
Due to related party	20,131	(35,782)
Accrued vacation and payroll benefits	14,011	87,973
Refundable grant advances	(370,046)	114,975
Accrued and other liabilities	(13,954)	(13,475)
Pensions and postretirement benefits	-	(1,090,127)
Net cash provided by (used in) operating activities	216,300	(248,926)
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(37,592)	(38,512)
Sales of investments	1,302,997	3,599,499
Purchases of investments	(2,056,681)	(3,652,919)
Net cash used in investing activities	(791,276)	(91,932)
<b>Cash Flows from Financing Activities</b>		
Donor-restricted contributions	53,897	302,886
Payments on notes payable	(175,532)	(526,596)
Net cash used in financing activities	(121,635)	(223,710)
<b>Net Decrease in Cash</b>	(696,611)	(564,568)
<b>Cash - Beginning of year</b>	2,475,611	3,040,179
<b>Cash - End of year</b>	\$ 1,779,000	\$ 2,475,611



## Note 1 - Nature of Business

American Bar Foundation (the "Foundation") is a nonprofit legal research organization whose purpose is to plan and execute innovative, interdisciplinary, and rigorous empirical research in the following areas: learning and practicing law, protecting rights/accessing justice, and making and implementing law.

## Note 2 - Significant Accounting Policies

### ***Basis of Presentation***

The financial statements of the Foundation have been prepared on the basis of accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

### ***Measure of Operations***

Operating results in the statement of activities and changes in net assets reflect all day-to-day operating transactions that increase or decrease net assets, except those related to endowed gifts, pension activity, or other nonrecurring transactions.

### ***Concentrations of Credit Risk***

The Foundation maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Foundation believes it has not experienced any losses in such accounts. The Foundation believes it is not exposed to any significant credit risk on cash.

### ***Investments***

The Foundation's investments are reported at fair value. Investment income and net realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets. Interest and dividend income is recorded on the accrual basis.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term that could materially affect the amounts reported in the statement of financial position.

Subsequent to year end, the Foundation's investment portfolio has incurred declines in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

### ***Contribution and Grant Receivables***

Receivables primarily consist of grant revenue due from the American Bar Endowment, the National Science Foundation (NSF), contributions due from The Fellows of the American Bar Foundation, pledges made toward diversity research, and other miscellaneous receivables. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. There is no allowance for doubtful accounts as of August 31, 2022 and 2021. All receivables are expected to be collected within one year.

### ***Property and Equipment***

Property and equipment are recorded at cost. Assets are depreciated on a straight-line basis over their estimated useful lives. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

**Note 2 - Significant Accounting Policies (Continued)**

***Classification of Net Assets***

Net assets of the Foundation are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Foundation.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

***The Fellows of the American Bar Foundation***

Membership in The Fellows of the American Bar Foundation (The Fellows) is attained by invitation only; contributions are voluntary and are subject to The Fellows' continuing interest in membership. Membership dues are recognized as contribution revenue when received.

***Contributions***

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract. Conditional promises to give (those with a measurable performance or other barrier and a right of return) are not recognized until the conditions on which they depend have been met. Conditional contributions that have been awarded but not yet recognized as revenue total \$386,697 and \$937,402 as of August 31, 2022 and 2021, respectively. These awards are conditional upon incurring eligible expenses.

***Refundable Grant Advances***

Cash received in advance for conditional contributions is recorded in refundable grant advances until expenses have been incurred or agreed-upon barriers have been met, at which point the advance is recognized as revenue without donor restrictions on the statement of activities and changes in net assets.

***Functional Allocation of Expenses***

Costs of providing the program and support services have been reported on a functional basis in the statement of functional expenses. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and related expenses are allocated on the basis of time and effort. Business administration expenses, such as insurance, IT support, and office supplies, are allocated based on headcount. Other expenses utilized by all employees, such as occupancy, utilities, and depreciation, are allocated on the basis of square footage. Depreciation expense is included within the office expenses and other line item on the statement of functional expenses. Costs have been allocated between the various program and support services based on estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

## Note 2 - Significant Accounting Policies (Continued)

### ***Federal Income Taxes***

The Foundation is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

### ***Upcoming Accounting Pronouncement***

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Foundation's year ending August 31, 2023 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented or in the year of implementation; however, the Foundation is still deciding on the period of implementation. The new lease standard is expected to have a significant effect on the Foundation's statement of financial position as a result of the Foundation's operating leases, as disclosed in Note 13. The new lease guidance is expected to increase long-term assets and lease liabilities upon adoption. The effects on the statement of activities and changes in net assets are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

### ***Adoption of New Accounting Pronouncement***

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions that charities and other not-for-profit organizations receive, known as gifts in kind (GIKs). Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and a description of the fair value techniques used to arrive at a fair value measurement. The standard was adopted for the year ended August 31, 2022 and applied retrospectively and did not result in a restatement of prior year amounts.

### ***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including January 6, 2023, which is the date the financial statements were available to be issued.

## Note 3 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Foundation's assets measured at fair value on a recurring basis at August 31, 2022 and 2021 and the valuation techniques used by the Foundation to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Foundation has the ability to access.

**Note 3 - Fair Value Measurements (Continued)**

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Foundation's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Assets Measured at Fair Value on a Recurring Basis at August 31, 2022

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at August 31, 2022
<b>Assets</b>					
Principal High Yield Institutional	\$ 2,482,632	\$ -	\$ -	\$ -	\$ 2,482,632
Schwab US Aggregate Bond Index Fund	4,760,697	-	-	-	4,760,697
Schwab International Index Fund	5,392,872	-	-	-	5,392,872
Schwab Total Stock Market Index Fund	7,214,772	-	-	-	7,214,772
Schwab Government Money	375,755	-	-	-	375,755
PIMCO Commodity Real Return Strategy Fund	1,765,334	-	-	-	1,765,334
Parametric Volatility Risk Premium - Defensive Fund Institutional Class	3,133,990	-	-	-	3,133,990
RREEF America REIT II, Inc.	-	-	-	3,452,390	3,452,390
<b>Total assets</b>	<b>\$ 25,126,052</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,452,390</b>	<b>\$ 28,578,442</b>

August 31, 2022 and 2021

**Note 3 - Fair Value Measurements (Continued)**

	Assets Measured at Fair Value on a Recurring Basis at August 31, 2021				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at August 31, 2021
<b>Assets</b>					
Principal High Yield Institutional	\$ 2,714,896	\$ -	\$ -	\$ -	\$ 2,714,896
Schwab US Aggregate Bond Index Fund	4,937,158	-	-	-	4,937,158
Schwab International Index Fund	6,516,720	-	-	-	6,516,720
Schwab Total Stock Market Index Fund	8,362,937	-	-	-	8,362,937
Schwab Government Money	1,477,021	-	-	-	1,477,021
PIMCO Commodity Real Return Strategy Fund	1,580,046	-	-	-	1,580,046
Parametric Volatility Risk Premium - Defensive Fund Institutional Class	3,311,373	-	-	-	3,311,373
RREEF America REIT II, Inc.	-	-	-	2,272,433	2,272,433
<b>Total assets</b>	<b>\$ 28,900,151</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,272,433</b>	<b>\$ 31,172,584</b>

**Investments in Entities that Calculate Net Asset Value per Share**

The Foundation holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	2022	2021	Unfunded Commitments	2022	Redemption Notice Period
	Fair Value	Fair Value		Redemption Frequency, if Eligible	
RREEF America REIT II, Inc.	\$ 3,452,390	\$ 2,272,433	\$ -	Quarterly	45 days

The primary objective of RREEF America REIT II, Inc. is to hold a portfolio that outperforms the NCREIF Fund Index and the Vanguard REIT ETF by diversifying investments held in retail, commercial, industrial, and household real estate throughout the U.S.

August 31, 2022 and 2021

**Note 4 - Investments**

The Foundation pools the assets of 16 funds, which include donor-restricted and board-designated net assets, in the investments in the tables in Note 3. The balances of these individual funds as of August 31, 2022 and 2021 are as follows:

	2022	2021
Contributors' Memorial Fund I	\$ 10,123,530	\$ 11,100,729
Contributors' Memorial Fund II	9,508,263	10,234,046
Capacity Building Fund	139,572	320,625
MacCrate Research Chair in the Legal Profession	1,469,633	1,581,797
Liz and Peter Moser Research Fund in Legal Ethics, Professional Responsibility, and Access to Legal Services	1,026,432	1,104,812
Kenneth F. and Harle G. Montgomery Summer Fellowship Program for Minority Undergraduate Students	226,285	243,644
Samuel Pool Weaver Fund	2,323,595	2,500,971
Solon E. Summerfield Foundation Fund	204,142	219,708
Sustain the Vision Fund (STV)	485,603	522,630
Maynard Toll Fund	214,138	230,639
William Reece Smith Jr. Research Fund	90,523	97,294
Summer Research Diversity Fellowship Program Fund	50,272	54,118
Robert O. Hetlage Scholarship Fund	32,162	34,656
William H. Neukom Fellows Research Chair in Diversity and Law Fund	2,104,071	2,378,322
Hubbard Conference Fund	347,748	373,202
Ruth Bader Ginsburg Civil Rights/Gender Equality Fund	232,473	175,391
Total	<u>\$ 28,578,442</u>	<u>\$ 31,172,584</u>

**Note 5 - Related Party Transactions**

The American Bar Association (ABA) and the American Bar Endowment (ABE) are tax-exempt organizations related to the Foundation, as certain officers of those organizations are ex officio members of the Foundation's board of directors. The ABA provided various services to the Foundation, such as processing payroll and the management of human resources administrative functions. The amounts of such services charged to the statement of activities and changes in net assets in 2022 and 2021 were \$433,641 and \$418,207, respectively.

Grants received from the ABE amount to \$3,684,288 and \$3,496,588 in 2022 and 2021, respectively. Of the grants received from the ABE, \$3,684,288 and \$3,496,588 are recorded as a related party receivable at August 31, 2022 and 2021, respectively. Receivables are expected to be received in the next fiscal year. For the years ended August 31, 2022 and 2021, revenue from the ABE exceeded 10 percent of total revenue.

Neither the ABA nor the ABE have controlling or economic interests in the Foundation.

August 31, 2022 and 2021

**Note 6 - Property and Equipment**

Property and equipment are summarized as follows:

	2022	2021	Depreciable Life - Years
Furniture and fixtures	\$ 376,097	\$ 376,097	5
Equipment	781,822	906,307	5
Leasehold improvements	935,907	935,907	5
Software	39,530	39,530	5
Total cost	2,133,356	2,257,841	
Accumulated depreciation	2,036,247	2,175,717	
Net property and equipment	<u>\$ 97,109</u>	<u>\$ 82,124</u>	

Depreciation expense for 2022 and 2021 was \$22,607 and \$13,475, respectively.

**Note 7 - The Fellows**

Contributions generated from members of The Fellows consisted of the following:

	2022	2021
Membership support	\$ 1,859,913	\$ 1,961,381
Contributions	451,800	441,437
Event sponsorship	24,050	12,500
Total	<u>\$ 2,335,763</u>	<u>\$ 2,415,318</u>

**Note 8 - Pension and OPEB**

***Defined Contribution Plan***

The Foundation offers participation in the American Bar Foundation DC Retirement Plan, a 403(b) plan, to all of its full-time employees. The defined contribution plan's assets are held at TIAA-CREF. The Foundation makes a nonelective contribution of 5 percent of each participant's annual salary to the plan and makes a discretionary matching contribution of an employee's contribution up to 5 percent.

The Foundation contributed \$153,940 and \$160,167 for professional research staff and \$180,259 and \$149,011 for nonprofessional research staff under the TIAA-CREF defined contribution plan as of August 31, 2022 and 2021, respectively.

***Pension Plan***

Prior to April 2011, employees not covered by the TIAA-CREF retirement plan, along with employees of the ABA, the ABE, and the National Judicial College, participated in the A-E-F-C Pension Plan, a defined benefit plan, and/or the Thrift Plan, a defined contribution plan. The A-E-F-C Pension Plan is considered a single-employer plan and is administered by the ABA. The ABA is responsible for retaining outside actuarial services to determine plan assets and liabilities. These actuarial determinations are reflected in this note. The Foundation's management, along with recommendation and consultation from its actuaries, is responsible for the selection of a discount rate used by the plan each year in its actuarial calculations.

**Note 8 - Pension and OPEB (Continued)**

The A-E-F-C Pension Plan's benefits are determined actuarially using the projected unit credit with the service pro rata method. This plan was amended on January 1, 2007 to exclude all persons hired on or after January 1, 2007 from participation. Employees hired on or after January 1, 2007 were eligible to participate in the Thrift Plan and receive a defined contribution of 5 percent of their annual salaries. Also, as part of the amendment, participants in the A-E-F-C Pension Plan were provided a one-time election to either remain in the plan or become eligible to receive a contribution in 2007, and each year thereafter, equal to 5 percent of their annual salaries under the Thrift Plan. Participants who elected to cease participation in the A-E-F-C Pension Plan had their accrued benefits frozen as of December 31, 2006.

In April 2011, the Foundation ceased its participation in both the A-E-F-C Pension Plan and the Thrift Plan and transferred all participating employees to the TIAA-CREF defined contribution plan described above.

During 2020, the Foundation began the process to liquidate the pension plan effective for the 2021 fiscal year. As a result, a plan termination and annuity purchase model was used to develop the liability as of August 31, 2020 to reflect plan settlements. The final settlement of the plan in fiscal year 2021 totaled approximately \$2,860,000, which included an additional contribution from the Foundation totaling approximately \$499,000.

**Obligations and Funded Status**

Components of net periodic benefit cost and other amounts recognized in nonoperating activities are as follows:

	Pension Benefits	
	2022	2021
<b>Components of Net Periodic Benefit Cost</b>		
Interest cost	\$ -	\$ 32,594
Expected return on plan assets	-	(15,013)
Amortization of net loss	-	121,232
Settlement expense	-	2,140,928
	<u>\$ -</u>	<u>\$ 2,279,741</u>
<b>Other Changes in Plan Assets and Benefit Obligations Recognized in Nonoperating Activities</b>		
Net loss	\$ -	\$ 110,500
Amortization of actuarial loss	-	(2,262,160)
	<u>\$ -</u>	<u>\$ (2,151,660)</u>
Total recognized in nonoperating activities		

**Note 9 - Long-term Debt**

During 2018, the Foundation entered into a nonrevolving line of credit with Bank of America that converted into a term loan payable on April 28, 2019. The term loan was fully paid off during the year ended August 31, 2022. This debt facility was collateralized by all equipment, fixtures, and receivables owned by the Foundation. Starting on June 30, 2019, and on the last day of each month thereafter, equal principal installments of \$21,277 were due through the original maturity of April 28, 2023. The interest rate was equal to the LIBOR daily floating rate plus 1.25 percentage points. The effective interest rate as of August 31, 2021 was 1.33 percent.

Interest expense for 2022 and 2021 was \$956 and \$8,745, respectively.



**Note 10 - Paycheck Protection Program Term Loan**

During the fiscal year ended August 31, 2020, the Foundation received a Paycheck Protection Program (PPP) term note in the amount of \$718,857. The note was issued pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Small Business Administration (SBA). Under the terms of this program, the loan may be fully or partially forgiven if the loan proceeds are spent on qualifying expenses and if staffing level and salary maintenance requirements are met. On March 5, 2021, the Small Business Administration approved forgiveness of the entire amount advanced. Loan forgiveness income was recorded in the nonoperating section of the statement of activities and changes in net assets.

**Note 11 - Net Assets**

Net assets with donor restrictions as of August 31 are available for the following purposes:

	2022	2021
Subject to expenditures for a specified purpose	\$ 396,083	\$ 759,609
Subject to the passage of time	3,703,787	3,513,587
Subject to the Foundation's spending policy and appropriation	4,187,752	5,020,814
Not subject to appropriation or expenditure	4,523,261	4,469,365
Total	<u>\$ 12,810,883</u>	<u>\$ 13,763,375</u>

**Note 12 - Endowments**

The Foundation's endowment includes both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

***Interpretation of Relevant Law***

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Foundation had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

**Note 12 - Endowments (Continued)**

Endowment Net Asset Composition by Type of Fund as of August 31, 2022			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 19,900,665	\$ -	\$ 19,900,665
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	4,523,262	4,523,262
Accumulated investment gains	-	4,187,752	4,187,752
Total	\$ 19,900,665	\$ 8,711,014	\$ 28,611,679
Changes in Endowment Net Assets for the Fiscal Year Ended August 31, 2022			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 21,800,372	\$ 9,490,179	\$ 31,290,551
Investment return:			
Investment income (net of fees)	713,293	320,172	1,033,465
Net depreciation (realized and unrealized)	(2,346,442)	(1,001,384)	(3,347,826)
Total investment return	(1,633,149)	(681,212)	(2,314,361)
Contributions	-	53,897	53,897
Appropriation of endowment assets for expenditure	(133,911)	(151,850)	(285,761)
Other changes - Transfers to undesignated net assets	(132,647)	-	(132,647)
Endowment net assets - End of year	\$ 19,900,665	\$ 8,711,014	\$ 28,611,679
Endowment Net Asset Composition by Type of Fund as of August 31, 2021			
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 21,800,372	\$ -	\$ 21,800,372
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	-	4,469,365	4,469,365
Accumulated investment gains	-	5,020,814	5,020,814
Total	\$ 21,800,372	\$ 9,490,179	\$ 31,290,551

**Note 12 - Endowments (Continued)**

	Changes in Endowment Net Assets for the Fiscal Year Ended August 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ 19,074,328	\$ 7,905,510	\$ 26,979,838
Investment return:			
Investment income (net of fees)	578,344	246,215	824,559
Net appreciation (realized and unrealized)	2,867,388	1,187,854	4,055,242
Total investment return	3,445,732	1,434,069	4,879,801
Contributions	-	302,886	302,886
Appropriation of endowment assets for expenditure	(167,033)	(152,286)	(319,319)
Transfers to create board-designated endowment funds	(552,655)	-	(552,655)
Endowment net assets - End of year	<u>\$ 21,800,372</u>	<u>\$ 9,490,179</u>	<u>\$ 31,290,551</u>

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. A deficiency of this nature existed in one donor-restricted endowment fund, which has an original gift value of \$245,190, a fair value of \$232,473, and a deficiency of \$12,717 as of August 31, 2022. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions received for the fund. As of August 31, 2021, there were no funds with deficiencies.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce a moderate return while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a minimum average rate of return equal to its annual spending policy rate. The approved maximum spending policy rate for 2022 and 2021 was 4.5 percent and 5.0 percent, respectively. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**Note 12 - Endowments (Continued)**

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Foundation has a policy of appropriating for distribution each year up to 4.5 percent in 2022 and 5.0 percent in 2021 for its endowed funds' average fair value over the prior 12 quarters. There is no spending policy for the remaining funds. The amount is determined as of the quarter ending in March of the fiscal year prior to the fiscal year in which the distribution is planned. In establishing this policy, the Foundation expects its endowment to grow at an average of 6 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term and to provide additional real growth through new gifts and investment return.

**Note 13 - Lease Commitments**

The Foundation is obligated under an operating lease primarily for office space. The existing lease is effective from September 1, 2019 through 2029. The lease requires the Foundation to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under this lease was \$888,815 and \$889,014 for 2022 and 2021, respectively.

Future minimum annual commitments under the extended operating lease are as follows:

Years Ending August 31	Amount
2023	\$ 680,872
2024	700,841
2025	706,150
2026	727,334
2027	749,154
Thereafter	1,566,407
Total	<u>\$ 5,130,758</u>

**Note 14 - Liquidity and Availability of Resources**

The following reflects the Foundation's financial assets as of August 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	2022	2021
Cash	\$ 1,779,000	\$ 2,475,611
Accounts and contributions receivable	4,028,285	4,052,995
Investments	28,578,442	31,172,584
Financial assets - At year end	34,385,727	37,701,190
Less those unavailable for general expenditures within one year due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions - Net of appropriations	4,176,286	5,441,239
Restricted in perpetuity	4,523,262	4,469,365
Board designations - Quasi-endowment fund, primarily for long-term investing - Net of appropriations	18,666,293	20,821,307
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,019,886</u>	<u>\$ 6,969,279</u>

The contributions receivable are subject to implied time restrictions, but the amount reported above is expected to be collected within one year.

**Note 14 - Liquidity and Availability of Resources (Continued)**

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Foundation also realizes there could be unanticipated liquidity needs.

Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure. As described in Note 12, the quasi endowment has a spending rate of 4.5 and 5.0 percent at August 31, 2022 and 2021, respectively. A total of \$1,100,461 of appropriations from the quasi endowment will be available within the next 12 months. Although the Foundation does not intend to spend from its quasi endowment, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi endowment could be made available if necessary. However, both the quasi endowment and donor-restricted endowments contain investments with lock-up provisions that would reduce the total investments that could be made available (see Note 3 for disclosures about investments).

**Note 15 - Contributed Nonfinancial Assets**

The Foundation recorded the following contributed nonfinancial assets on the statement of activities and changes in net assets for the years ended August 31, 2022 and 2021 as follows:

	2022	2021
Professional services - Legal	\$ 7,008	\$ 125,500
Professional services - Arts performance	3,000	-
Professional services - Marketing	-	35,000
Events	10,000	-
Contributed research	17,000	-
Total	<u>\$ 37,008</u>	<u>\$ 160,500</u>

Contributed nonfinancial assets did not have donor-imposed restrictions. Contributed professional services are valued and reported at their estimated fair value in the financial statements based on current rates for similar professional services. Contributed event expenses consist of fees for an event the Foundation hosted that were covered by a donor; the contributed nonfinancial asset is valued based on the actual amount charged by the event venue. Contributed research is valued based on the number of hours incurred at established rates for qualified researchers.

**AMERICAN BAR FOUNDATION**  
**FY2023 Actuals / FY2024 Budget / FY2025 Preliminary Budget**

	Column A	Column B	%	Column C	%	
	FY 2023 Actuals (Unaudited) 9/1/2022- 8/31/2023	FY 2024 Budget 9/1/2023 - 8/31/2024	Chg	FY 2025 Preliminary Budget, 9/1/2024 - 8/31/2025	Chg	ABE Support
<b>REVENUE</b>						
American Bar Endowment Grant	\$3,684,288	\$3,697,357	0%	\$3,700,000	0%	
The Fellows	2,211,599	2,400,000	9%	2,300,000	-4%	
The Fellows Event Revenues	82,180	123,000	50%	126,690	3%	
ABF Endowment Income	900,000	1,318,170	46%	1,370,897	4%	
ABF Endowment Income - Neukom Diversity Chair	80,000	110,898	39%	110,898	0%	
ABF Endowment Income - Hubbard Conference	0	16,232	#DIV/0!	0	-100%	
Third-party grants/contributions	1,021,974	1,297,401	27%	1,520,462	17%	
ABA Liaison Projects - third party funding	0	20,000	100%	20,000	0%	
Corporate Giving/Major Donors	3,360	20,000	0%	30,000	50%	
Special Events	20,070	36,000	100%	10,000	-72%	
Publications and royalties	58,339	45,000	-23%	44,000	-2%	
Miscellaneous income and other support	7,383	0	0%	0	0%	
In-Kind Contributions Received	14,059	50,000	256%	25,000	-50%	
<b>TOTAL REVENUE</b>	<b>8,083,252</b>	<b>9,134,058</b>	<b>13%</b>	<b>9,257,947</b>	<b>1%</b>	
<b>EXPENSES</b>						
<b>Research</b>						
Research faculty - salaries and benefits	2,305,349	2,387,726	4%	2,255,540	-6%	x
Research projects - ABF variable funding	559,773	741,257	32%	717,257	-3%	x
Research projects - third party variable funding	663,662	971,070	46%	1,064,032	10%	
Research projects - Neukom Diversity Chair	80,000	110,898	39%	110,898	0%	
Project development/project dissemination	46,086	80,000	74%	85,000	6%	x
Research partnerships and liaison research	-	20,000	100%	20,000	0%	
Law and Social Inquiry (LSI) - salaries and benefits	74,740	76,782	3%	109,085	42%	x
Law and Social Inquiry (LSI) - other	43,023	28,705	-33%	29,566	3%	x
Speaker Series and other academic affairs	207,137	297,384	44%	325,406	9%	x
Doctoral fellowships	434,108	416,341	-4%	458,831	10%	x
Summer Diversity program	35,028	42,551	21%	43,828	3%	x
Faculty Fellows and Visiting Scholars	78,106	123,644	100%	127,353	3%	x
Other research expenses	19,867	20,000	1%	20,000	0%	x
In-Kind Contributions Used	1,500	0	100%	0		
<b>Total Research</b>	<b>4,548,379</b>	<b>5,316,358</b>	<b>17%</b>	<b>5,366,796</b>	<b>1%</b>	
<b>Development</b>						
<b>Fellows</b>						
Fellows salaries and benefits	352,046	490,493	39%	507,473	3%	
Fellows fundraising	103,313	103,297	0%	106,396	3%	
Fellows' administration	150,690	189,296	26%	194,975	3%	
Fellows' meetings	213,737	288,500	35%	297,155	3%	
<b>Total Fellows</b>	<b>819,786</b>	<b>1,071,586</b>	<b>31%</b>	<b>1,105,999</b>	<b>3%</b>	
<b>Grants/Corporate Giving/Major Donor Gifts</b>						
Grants/Corporate Giving/Major Donor Gifts - salaries and benefits	302,953	178,282	-41%	178,539	0%	
Grants/Corporate Giving/Major Donor Gifts - other variable	69,852	93,164	33%	95,959	3%	
Grants/Corporate Giving/Major Donor Gifts - Special Events	21,705	20,000	-8%	10,000	-50%	
<b>Total Grants/Corporate Giving/Major Donor Gifts</b>	<b>394,510</b>	<b>291,446</b>	<b>-26%</b>	<b>284,498</b>	<b>-2%</b>	
<b>Total Development</b>	<b>1,214,296</b>	<b>1,363,031</b>	<b>12%</b>	<b>1,390,497</b>	<b>2%</b>	
<b>Communications</b>						
Communications - salaries and benefits	251,160	253,808	1%	261,797	3%	
Communications - other	75,719	104,511	38%	106,601	2%	
<b>Total Communications</b>	<b>326,879</b>	<b>358,319</b>	<b>10%</b>	<b>368,398</b>	<b>3%</b>	
<b>General Administration</b>						
Administration salaries and benefits	1,174,626	1,157,703	-1%	1,149,019	-1%	
Legal, audit and insurance	106,022	136,650	29%	140,750	3%	
Board meetings	58,991	103,000	75%	106,090	3%	
Information Technology (IT)	61,564	104,699	70%	107,840	3%	
Staff travel and group functions	23,761	21,000	-12%	21,630	3%	
Other administrative expenses	530,803	538,119	1%	551,682	3%	
In-Kind Contributions Expenses	12,559	50,000	298%	25,000	-50%	
<b>Total General Administration</b>	<b>1,968,325</b>	<b>2,111,171</b>	<b>7%</b>	<b>2,102,011</b>	<b>0%</b>	
<b>TOTAL EXPENSES</b>	<b>8,057,879</b>	<b>9,148,879</b>	<b>14%</b>	<b>9,227,703</b>	<b>1%</b>	
<b>Net Surplus (Deficit)</b>	<b>\$25,372</b>	<b>(\$14,821)</b>		<b>30,245</b>		

Link to an electronic copy of our most recent IRS Form 990:

[ABF FY2022 Form 990](#)

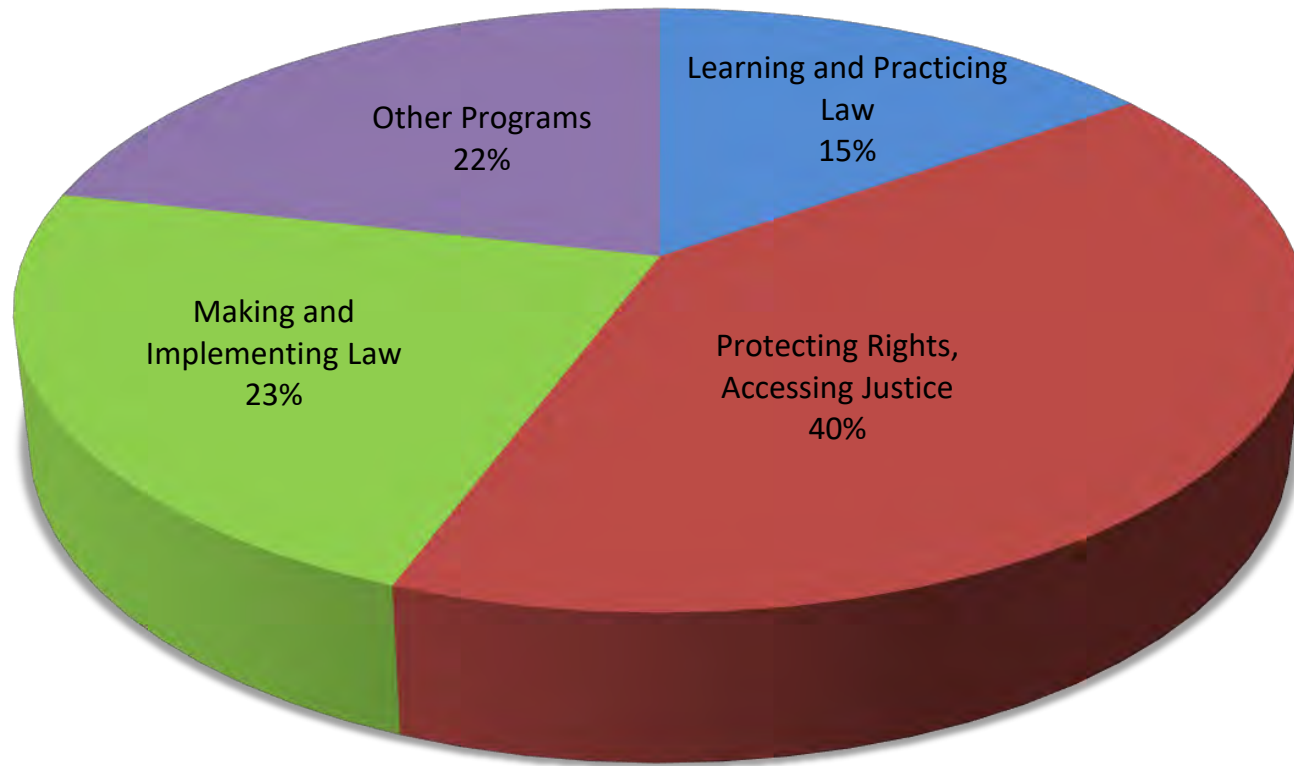
Link to an electronic copy of our most recent Audit Report:

[ABF FY2022 Audit Report](#)

AMERICAN BAR FOUNDATION  
FY2023 Actual Spending for Research Projects and Programs  
For the Fiscal Year Ending August 31, 2023

Project Title	Research Costs	Other Indirect Costs	Total Costs	% of Total
<i>Learning and Practicing Law</i>				
After the JD: Trajectory of Legal Careers	\$ 58,917	\$ 1,064	\$ 59,981	
Globalization of Legal Education	18,030	177	18,207	
Chinese Lawyers between China and the US	18,030	177	18,207	
Language of Law Professors	154,956	3,281	158,237	
Senior Status - Book Write-up	72,668	1,330	73,998	
Book Editing Project	24,108	443	24,551	
Widening the Lens of Justice	37,184	1,507	38,691	
Portrait Project 2.0	120,541	0	120,541	
The Rise of Lawyer Activism in China	153,715	3,548	157,263	
Prosecutors and Law Students	26,156	3,104	29,260	
Licensed Legal Practitioners	12,717	1,330	14,047	
	<b>697,022</b>	<b>15,961</b>	<b>712,983</b>	15%
<i>Protecting Rights, Accessing Justice</i>				
Policing and Political Participation	80,222	3,104	83,326	
Verification of Voter Eligibility: The Process of Disenfranchisement	42,535	1,330	43,865	
Constructing Feminized Courts and Carceral Institutions	65,116	4,435	69,551	
Science and the Legal System, Phase II	311,630	6,663	318,293	
Violated: Understanding Structural Racism	59,551	0	59,551	
The Least of These: Empire, Freedom, and the Many Uses of Violence	106,948	4,435	111,383	
The Probative Versus Prejudicial Effect of Gruesome Photographs in Court	78,714	2,217	80,931	
Public Opinion, Private Governance, and the Influence of Source Credibility	78,714	2,217	80,931	
Neukom Fellows Diversity Chair Project	95,599	4,432	100,031	
The Hero and the Monsignor/Priest Abuse Litigation	160,597	4,435	165,032	
Influences of State Policies and Racialized Parental Incarceration	159,318	3,548	162,866	
Regulating the Crisis: Phase I	148,373	4,435	152,808	
Access to Justice Scholars Program	411,735	1,774	413,509	
Justice Data Observatory	56,542	443	56,985	
	<b>1,855,594</b>	<b>43,468</b>	<b>1,899,062</b>	40%
<i>Making and Implementing Law</i>				
Trust 2.0: Law, Social Control, and New Technologies of Trust	215,036	4,435	219,471	
The VAT Laggard: A Comparative History of US Resistance to the Value-Added Tax	99,926	0	99,926	
Academically Informed Tax Policy	43,212	0	43,212	
Holding States Accountable	39,966	887	40,853	
Campus Consent Rules	150,357	3,282	153,639	
Workshop on Buddhism and Comparative Constitutional Law	29,296	1,064	30,360	
The Legal Characteristics of International Organizations	107,158	3,282	110,440	
The Legal Transformation of Medicine	141,187	4,435	145,622	
Rules of Law Discourses	25,795	621	26,416	
Branding Law: Genre, Rule of Law, and U.S. Federal Public Legislation	140,276	3,725	144,001	
Our Court: A Sociolegal History of the US Supreme Court	53,769	2,217	55,986	
	<b>1,045,978</b>	<b>23,948</b>	<b>1,069,926</b>	23%
<b>Total Research Projects</b>	<b>3,598,594</b>	<b>83,377</b>	<b>3,681,971</b>	78%
<i>Other Research Programs</i>				
Doctoral and Post-Doctoral Fellowship Program	434,108	34,115	468,223	
Summer Diversity Program	35,322	4,264	39,586	
Academic Affairs and Visiting Scholars	285,243	8,529	293,772	
<i>Law &amp; Social Inquiry</i>	117,763	6,610	124,373	
Research - Other	77,643	5,322	82,965	
	<b>950,079</b>	<b>58,840</b>	<b>1,008,919</b>	22%
<b>ABF All Research Projects and Programs</b>	<b>\$4,548,673</b>	<b>\$142,217</b>	<b>\$4,690,890</b>	100%

### FY2023 Research and Program Expenses

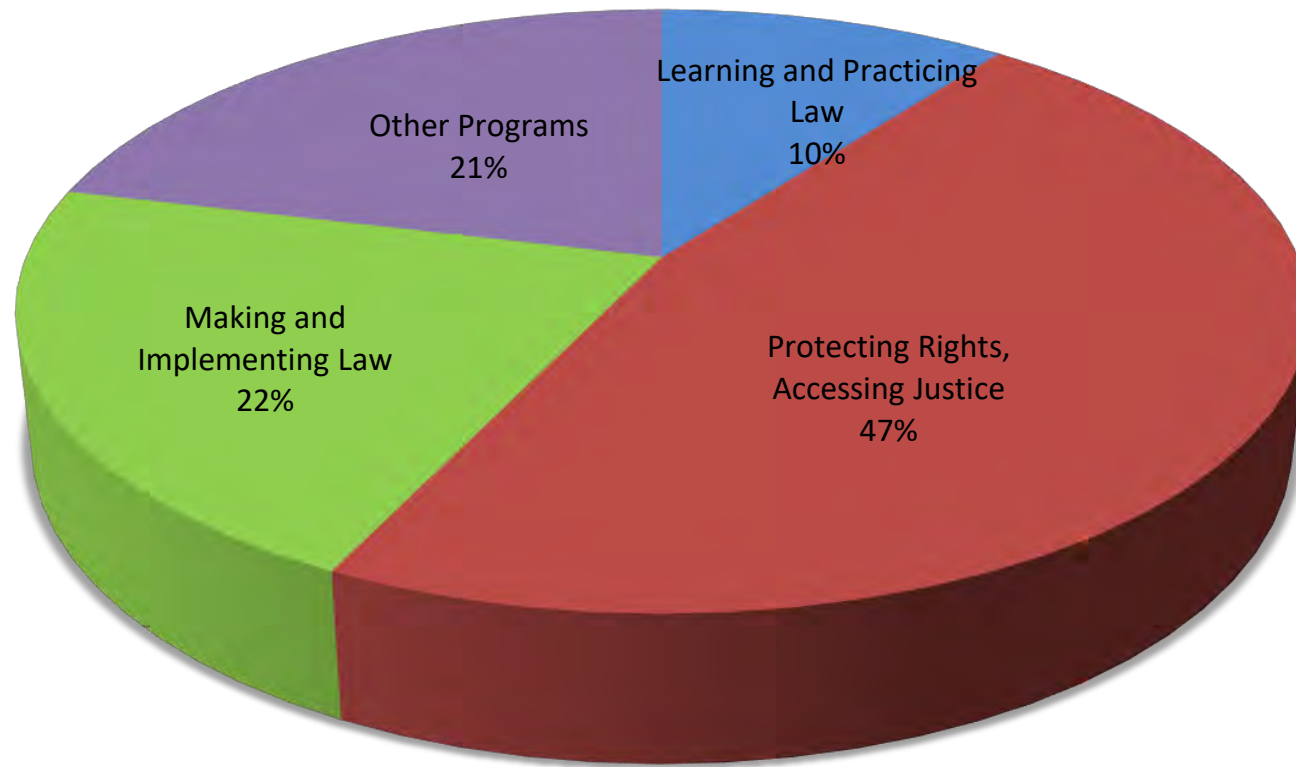




AMERICAN BAR FOUNDATION  
FY2024 Budgeted Spending for Research Projects and Programs  
For the Fiscal Year Ending August 31, 2024

Project Title	Research Costs	Other Indirect Costs	Total Costs	% of Total
<i>Learning and Practicing Law</i>				
After the JD: Trajectory of Legal Careers	\$ 55,139	\$ 1,045	\$ 56,184	
Language of Law Professors	158,281	3,135	161,416	
Senior Status - Book Write-up	30,936	665	31,601	
Widening the Lens of Justice	113,998	2,565	116,563	
Portrait Project 2.0	109,033	1,900	110,933	
The Rise of Lawyer Activism in China	38,621	4,275	42,896	
Prosecutors and Law Students	9,698	1,235	10,933	
Licensed Legal Practitioners	32,355	2,945	35,300	
	<b>548,061</b>	<b>17,765</b>	<b>565,826</b>	<b>10%</b>
<i>Protecting Rights, Accessing Justice</i>				
Verification of Voter Eligibility: The Process of Disenfranchisement	161,738	4,275	166,013	
Constructing Feminized Courts and Carceral Institutions	81,163	4,275	85,438	
Science and the Legal System, Phase II	334,119	4,272	338,391	
The Least of These: Empire, Freedom, and the Many Uses of Violence	120,692	4,275	124,967	
The Probative Versus Prejudicial Effect of Gruesome Photographs in Court	103,720	2,090	105,810	
Public Opinion, Private Governance, and the Influence of Source Credibility	98,445	2,090	100,535	
Neukom Fellows Diversity Chair Project	132,042	4,272	136,314	
The Hero and the Monsignor/Priest Abuse Litigation	222,719	4,275	226,994	
BNP Paribas Sudan Genocide	11,678	665	12,343	
Influences of State Policies and Racialized Parental Incarceration	92,052	2,945	94,997	
Regulating the Crisis: Phase I	168,797	4,275	173,072	
Access to Justice Scholars Program	734,546	3,230	737,776	
Justice Data Observatory	118,828	1,045	119,873	
CIVIC - Bridging the Rural Justice Gap	34,526	0	34,526	
Access to Justice Design and Testing Program	101,345	0	101,345	
	<b>2,516,410</b>	<b>41,984</b>	<b>2,558,394</b>	<b>47%</b>
<i>Making and Implementing Law</i>				
Trust 2.0: Law, Social Control, and New Technologies of Trust	251,824	4,275	256,099	
The VAT Laggard: A Comparative History of US Resistance to the Value-Added Tax	113,437	1,900	115,337	
Academically Informed Tax Policy	19,887	380	20,267	
Campus Consent Rules	188,329	3,230	191,559	
Anti-Corruption and Illiberalism in the Global South - Stage 1	50,340	855	51,195	
The Legal Characteristics of International Organizations	107,399	4,085	111,484	
The Legal Transformation of Medicine	160,932	4,275	165,207	
Branding Law: Genre, Rule of Law, and U.S. Federal Public Legislation	200,157	4,275	204,432	
Our Court: A Sociolegal History of the US Supreme Court	62,621	2,090	64,711	
	<b>1,154,926</b>	<b>25,365</b>	<b>1,180,291</b>	<b>22%</b>
<b>Total Research Projects</b>	<b>4,219,397</b>	<b>85,114</b>	<b>4,304,511</b>	<b>79%</b>
<i>Other Programs</i>				
Doctoral and Post-Doctoral Fellowship Program	417,112	25,024	442,136	
Summer Diversity Program	42,608	4,171	46,779	
Academic Affairs and Visiting Scholars	422,264	16,265	438,529	
<i>Law &amp; Social Inquiry</i>	105,598	4,171	109,769	
Research - Other	115,297	8,550	123,847	
	<b>1,102,879</b>	<b>58,181</b>	<b>1,161,060</b>	<b>21%</b>
<b>ABF All Research Projects and Programs</b>	<b>\$5,322,276</b>	<b>\$143,295</b>	<b>\$5,465,571</b>	<b>100%</b>

## FY2024 Research and Program Budgets





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As of January 2024

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## Summary of Current ABF Projects and Programs and Their Impact

The American Bar Foundation (ABF) serves the bar, the bench, the legal academy, and the broader community by producing cutting-edge, award-winning research on critical issues facing the legal profession and society at large. By conducting projects of unmatched scale, quality, and methodological rigor on topics of fundamental and current interest, the ABF sets the standard for policy-relevant research on law, legal institutions, and legal processes. Moreover, ABF researchers are widely recognized as thought leaders in their respective fields, and by gathering them in dialog around the questions and challenges of the legal system, the ABF helps to place law at the center of intellectual attention throughout the social sciences.

The following is a report on the impact of current ABF programs and projects. The list below is representative but not exhaustive. We have categorized the projects within our three broad areas of research: (1) Learning and Practicing Law; (2) Protecting Rights and Accessing Justice; and (3) Making and Implementing Law.

### Learning and Practicing Law

#### After the JD: A National Study of Lawyers Careers Robert L. Nelson, et al.

The ABF has long been recognized as the leading source of research on legal education and the profession. One of the ABF's hallmark projects in this area is After the JD (AJD), the first in-depth, nationwide, longitudinal study of legal careers. AJD followed a large national sample of more than 4,500 lawyers admitted to the bar in 2000 over the first decade-plus of their careers. The study design was longitudinal: the first cohort of lawyers was surveyed in 2002, the second in 2007, and the third in 2012. In addition to survey data, the project has collected more than two hundred in-depth interviews with respondents that provide narrative accounts of how lawyers change their careers.

**Impact:** In November 2023, the project's capstone book summarizing more than twenty years of research, *The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession* was published by the University of Chicago Press. Researchers found that racial and gender disparities persist in career advancement and that wage gaps exist at all stages of lawyers' careers, even in the first few years after law school. Despite these challenges, 78% of the cohort reported being moderately or extremely satisfied with their decision to become a lawyer.

#### ***Selected Presentations***

- "The Making of Lawyers' Careers" | American Bar Foundation Book Launch | November 2023
- "The Making of Lawyers' Careers" | Center for the Study of Law and Society, University of California | October 2023
- "Empirical Study of Legal Education and the Legal Education" | The Law School Survey of Student Engagement Workshop | June 2023
- "The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession" | American Bar Association Midyear Meeting, ABF Fellows Research Seminar | February 2023
- "Structure and Agency in Making of Lawyer Careers" | Law & Society Association Annual Meeting | July 2022



### **Media Coverage**

- [The Making of Lawyers' Careers](#) | *Jotwell* | November 2023
- [Early Inequality Can Loom Over Attorneys' Future Wages and More](#) | *Law360* | November 2023
- [The Black-White Student Debt Gap Among Law School Graduates](#) | *The Practice Magazine* | October 2023
- [Law School Class of 2000: Where Are They Now?](#) | *ABA Journal* | February 2023

### **Alternative Legal Professionals Stephen Daniels**

Lack of access to competent legal assistance because of the absence of resources, social capital, awareness, or because of geographic distance is described as a justice gap. The existence of this gap is uncontested, and the gap is wide. In response, bar groups, the courts, and academic commentators are giving increasing attention to a range of access-enhancing innovations, all of which share a greater role for nonlawyers. This project explores the recent implementation of one of those innovations, Washington State's Limited Licensed Legal Technician (LLLT) program. Created in 2012, the program authorized licensed, mid-level professionals to perform certain kinds of "substantive law-related work" without the supervision of an attorney. This research project examines the origin, development, and characteristics of the program and examines its role in the efforts of eight other states as they consider following the same approach to enhancing access to justice.

**Impact:** Early results from data and interviews conducted thus far appeared in the article "Alternative Legal Professionals and Access to Justice" in the *DePaul Law Review*, which outlines four issues related to the availability of legal services today, (1) affordability of legal services, (2) declining law school enrollment, (3) lack of access to services in rural areas, and (4) the quality of legal education in preparing young lawyers to serve clients. In early analysis of LLLT programs, Daniels concluded that implementing these programs is a leap of faith, as there is no guarantee of successful outcomes for clients. However, a public opinion survey in Arizona indicated a high level of public support for the state's proposed LLLT program, with respondents comparing it to the role of nurse practitioners in the medical profession.

### **Selected Presentations**

- "AALS Discussion Group" | Association of American Law Schools Annual Meeting | January 2023
- "The Rule of Law is Fragile: The Importance of Legitimacy and Access" | National Civil Justice Institute | July 2022
- "Alternative Legal Professionals and Access to Justice: Failure, Success, and an Evolving Innovation" | Presentation to the Oregon Fellows of the ABF | January 2022

### **Criminal Defense in China Terence Halliday and Sida Liu**

Following earlier research on lawyers and the defense of basic legal freedoms in China, this project addresses the question: how does an international legal complex shape struggles over basic legal freedoms within China? The present moment is a critical historical juncture for China and in China's relations with the United States and other states, institutions, and publics. This project is creating an empirically grounded understanding of activism to influence legal change within China and China's role as an actor within international arenas to shape global norms and practices on legal rights and freedoms. The project collects and analyzes three bodies of new data from 2015 to 2021: (1) archival and documentary analysis of international organizations and international governance institutions; (2) interviews with state and non-state actors in international arenas; and (3) participant observation in civil society and governance

settings. The project has major salience for legal rights in China, for national and international policymaking on China, and for international civil society and publics.

**Impact:** Halliday and Liu’s research has found that, in addition to the everyday criminal defense lawyers who routinely engage with low-level functionaries, a smaller group of elite human-rights lawyers directly challenge the Chinese state. Despite their high-profile status, these lawyers operate as part of wider cross-border networks with substantial capacity to mobilize domestic and international support for legal change. Drawing on in-person interviews and participant observation, this research sheds new light on the prospects for liberal reform in China’s increasingly authoritarian regime.

### ***Selected Presentations***

- “The Empirical Turn in Chinese Legal Research: Challenges, Strategies, and Solutions” | University of Hong Kong | January 2023
- “Struggles for Religious Freedom in China” | University of Wisconsin–Madison | November 2022
- Lawyers in the Streets: Public Assembly and Protest in Hong Kong Between Empire and Totalitarianism” | American Sociological Association Annual Meeting | August 2022

### ***Media Coverage***

- [Freedom Struggles of China’s Christian Rights Lawyers](#) | *The Immanent Frame* | September 2023
- [A Law to Protect China’s Feelings](#) | *China Media Project* | September 2023
- [Human Rights Lawyer Pays the Painful Price for Standing Up to Xi’s China](#) | Reuters | September 2022

## **Portrait Project 2.0: Asian Americans in the Legal Profession** **Ajay K. Mehrotra and Hon. Goodwin Liu**

Asian Americans are a growing presence in all sectors of the legal profession. They work in BigLaw and in smaller firms and solo practice, and as government attorneys, corporate counsel, prosecutors, public defenders, judges, and more. But they fall short in attaining leadership positions and have the highest attrition rates from major law firms. Research has not substantially studied the many ways in which Asian American lawyers and law students struggle and thrive, and the unique incentives and constraints that shape their career paths. The first phase of the Portrait study in 2017 resulted in a widely circulated report that revealed that while Asian Americans have entered every facet of the legal profession, they are underrepresented in top leadership positions across all sectors. The second phase of the study aims to understand the factors, from self-selection to discriminatory bias, that dictate the careers of Asian American lawyers to understand why they are not reaching the upper echelons of the profession.

**Impact:** In December 2022, an updated report on Asian Americans in the Legal Profession, *A Portrait of Asian Americans in the Law 2.0: Identity and Action in Challenging Times*, was published. There were several important findings, including the stubborn persistence of limited leadership opportunities for AAPI lawyers in large law firms and elsewhere, the lack of overall racial diversity in judicial clerkships, and the continuing lack of Asian American representation among federal prosecutors. There were, however, some bright spots. The number of AAPI federal judges has increased, as has the number of GCs. Also, AAPI attorneys report increasing social and political engagement, desire to improve society, and racial-justice advocacy, with particularly marked shifts among first-generation immigrants. Once the report was completed, the team presented the findings to roughly thirty different law firms and affinity bar groups throughout the country in 2023.

### ***Selected Presentations***

- “Portrait Project 2.0” | Asian/Pacific Islander Employees Advisory Committee at the California Office of the Attorney General | September 2023
- “Law Clerk Selection and Diversity” | Harvard Law School American Constitution Society | September 2023
- “Law Clerk Selection and Diversity” | 10<sup>th</sup> Circuit Judicial Conference | September 2023
- “Portrait Project 2.0” | Asian American Association of the Greater Bay Area | February 2023
- “Portrait Project 2.0” | Association of American Law Schools Annual Meeting | January 2023

### ***Media Coverage***

- [Real Diversity = Providing the Opportunity to Lead](#) | *Law.com* | July 2023
- [Here’s How Federal Judges Think about Diversity in Hiring Law Clerks](#) | *Washington Post* | December 2022
- [As Underrepresentation of Asian American Lawyers in Top Jobs Continues, More Are Speaking Out, New Study Finds](#) | *ABA Journal* | December 2022
- [Federal Judges Want Diverse Clerks but Struggle to Hire Them](#) | *Reuters* | December 2022

### **Senior Status, Gender, and Race in the Legal and Liberal Arts Academies Elizabeth Mertz, Meghan Dawe, and Frances Tung**

This is the first national study examining the post-tenure experiences of law professors in the United States. The study combines a national survey of tenured law professors and in-depth follow-up interviews with one hundred of those professors. The project addresses several core questions: Do the experiences of female or minorities law professors differ significantly from those of white male law professors? If so, in what ways do they differ? Is there variation in law professors’ experiences according to institutional characteristics, such as the size or status of the law school? The research team has also built a law school database, tracking data on factors including demographic composition of faculty and students, varying rankings of schools over a number of years, religious affiliations, and geographic locations.

**Impact:** Project collaborators are completing a book that summarizes their research findings, tentatively titled *The Identity Crisis in the U.S. Legal Education*. The data shows that, although 76% of all professors in the study felt that the tenure process was fair, tenured female and POC faculty members perceived the tenure process as less fair than their male or white counterparts. In addition, while the gender pay gap in the legal academy decreased from 8% in 2006 to 4% in 2017, the gap persists even after controlling for factors such as educational attainment, school type, and institutional selectivity. The gap is also most pronounced at the higher end of the pay scale, with women earning 16% less than men at the 75th percentile of pay. For Black women, the gender pay gap at the higher end of the pay scale is most pronounced—19% less than White men.

### ***Selected Presentations***

- “Unequal Training Grounds: Race, Gender, and U.S. Law Professors” | French JUSTINES Conference | November 2022
- “White Professional Vision: The Power of the Unmarked” | American Anthropological Association Annual Meeting | November 2022
- “Core Values in the U.S. Legal Academy and Conceptualizations of Merit” | Law & Society Association Annual Meeting | July 2022
- “Elite Reproduction and Meritocracy in the U.S. Legal Academy” | Law & Society Association Annual Meeting | June 2022
- “Gender and Wage Disparities in the U.S. Legal Academy” | Law & Society Association Annual Meeting | July 2022

## **The Language of Law Professors** **Elizabeth Mertz and Frances Tung**

This project builds on the Senior Status, Gender, and Race in the Legal and Liberal Arts Academies project. Using linguistic methods to tease out subtleties in how the professors understand their situations, researchers will examine law professors “in their own voices.” At a time when law schools and law professors are under much public scrutiny, this study will help researchers analyze how current pressures are affecting the intersection of race, gender, and professional identity in law schools and inform efforts to build new generations of lawyers.

**Impact:** In a part of the project that focuses on professors from traditionally excluded groups, Mertz and Tung found that these professors have a more expansive and sophisticated understanding of the contextual aspects of speech and language. They also report hidden metalinguistic assumptions in mainstream law school cultures, assumptions that shape discourse in ways that silence minoritized professors and students. There are also important differences among minoritized professors that may be glossed over by traditional quantitative and qualitative methods.

### ***Selected Presentations***

- “Core Values in the U.S. Legal Academy and Conceptualizations of Merit” | Law & Society Association Annual Meeting | July 2022
- “Aspiration and Reality in Legal Education | Law & Society Association Annual Meeting | May 2021
- “Rethinking Inclusion in the Legal Academy | AccessLex Legal Education Research Symposium | December 2020

## **Protecting Rights and Accessing Justice**

### **Consent to Sex on Campus: How Undergraduates Understand and Enact Sexual Consent in the Title IX Era** **Laura Beth Nielsen**

This project studies the impact on university undergraduates of the Obama-era “Dear Colleague” (DCL) letter addressing campus sexual harassment and assault. Nielsen completed quantitative analyses of Title IX compliance policies at a national sample of universities, along with in-person interviews with undergraduates at five college campuses in the Midwest about Title IX compliance regarding sexual assault. The study builds on Nielsen’s previous scholarly work on the dissemination of information about civil rights; how organizations respond when they are responsible for enforcement; the institutional structures that interfere with—or complement—the goals of the civil rights movement; and, most importantly, how ordinary people think about the law as they go about their daily lives.

**Impact:** Nielsen found undergraduates had only a limited understanding of critical terms and concepts in typical Title IX policies, in keeping with computational analysis that found the average Title IX policy harder to read than the *New York Times* or the *Harvard Law Review*. In November 2022, Nielsen released initial findings in “Misunderstanding Law,” published in *Educational Evaluation and Policy Analysis*, where she also shared that students who undergo any kind of violence while at school experience impaired academic outcomes, but targets of sexual violence face the most negative outcomes with, on average, a GPA decline of full letter grade. In a second article, “The Exonerating ‘Guise of Brotherhood’,” published in *Men and Masculinities*, Nielsen interviewed fraternity members at a midwestern university about their experiences of sexual violence. She concluded that fraternities use a

specific way of talking about “brotherhood” that normalizes and hides sexual violence, protecting those who commit such acts from consequences.

### ***Selected Presentations***

- “Legal Pluralism When Formal Systems Fail: Title IX, Legal Consciousness, and Informal Sexual Assault Prevention Strategies on Campus” | Berkeley Law | February 2023

### ***Media Coverage***

- [Trump was Found Liable for Sexual Abuse. What Happens Now?](#) | *Vice* | May 2023
- [Trump Trial and Legal Accountability in Sexual Assault Cases](#) | *PBS Newshour* | May 2023
- [Title IX Policies Must be More Student-Friendly](#) | *Inside Higher Ed* | August 2022
- [We’ve Studied Male on Male Sexual Assault: Here are Some Strategies to Help a Young Man](#) | *Chicago Tribune* | November 2021

## **Constructing Feminized Courts and Carceral Institutions: Gender, the Legal Regulation of Race, and the Making of Modern Criminal Justice** **Tera Agyepong**

The study, which focuses on the twentieth-century emergence of women’s courts and carceral institutions for girls, will elucidate the ways gender has shaped racialized processes of criminalization in Illinois, New York, Pennsylvania, and California. By exploring the advent of these institutions alongside the ideals that guided their institutional practices, this project will shed light on the kinds of local-level processes that undergird the modern criminal justice system.

**Impact:** Agyepong’s research has begun to show that the urban North played a critical role in shaping the modern criminal justice system and notions of racialized criminality. Preliminary findings also reveal a close relationship between the juvenile justice system and the women’s courts, with some states creating a hybrid court system for women and girls. Across all examined locations, Black women and girls were the majority—and at times the exclusive—demographic group processed in these courts. Agyepong is in the process of writing a book about her findings.

### ***Selected Presentations***

- “Constructing Race and Gendered Delinquency in the Juvenile Justice System” | American Society for Legal History | November 2023
- “Constructing Race and Gendered Delinquency in the Juvenile Justice System” | American Society for Legal History | November 2022
- “Gender, Punishment, and Juvenile Justice” | Harvard Law School Legal History Workshop | September 2022

### ***Media Coverage***

- [Child Welfare Systems Have Long Harmed Black Children like Ma’Khia Bryant](#) | *The Washington Post* | April 2021
- [The Black Cops Who Fought Brutality on Their Own Force](#) | *JSTOR Daily* | February 2021

## **Policing and Political Participation** **Traci Burch**

Despite the prominence of policing and police misconduct on the national agenda, scholars still know very little about the extent to which police act in ways that are contrary to the public good and public safety. Primarily, this lack of information stems from a lack of data and analytical techniques that can be

used to examine policing. This project addresses this important dearth of information by developing measures of problematic police behavior and misconduct over a series of papers and attempt to examine the effects of problem policing on voter turnout and political protest. It will result in a book, the first to measure multiple forms of problematic policing and to examine their effects both separately and simultaneously.

**Impact:** In her most recent articles, Burch used data from a national survey that found that exposure to officer-involved killings of Black victims who posed little threat to officers or bystanders may repress protest among young Black people—by serving as a sign that police encounters are costly—but may also mobilize less risky forms of political engagement. For example, respondents who had been exposed to officer-involved killings of low threat Black victims in their communities indicated increased political interest and voter turnout. Burch also studied the impact of narratives used by public officials to either obscure the use of force or assert that the victims posed a threat to officers, thus justifying the use of lethal force. She is currently working on a book manuscript for this project.

### ***Selected Presentations***

- “Which Lives Matter? Determinants of Public and Media Attention to Victims of Officer-Involved Killings” | Northwestern University Chicago Area Behavior Conference | May 2023
- “Police Use of Force, Perspectives from Law, Courts, and the Public” | Loyola University | February 2023
- “Not All Black Lives Matter: Officer-Involved Deaths and the Role of Victim Characteristics in Shaping Political Interest and Voter Turnout | American Political Science Association Annual Conference | September 2022
- “Voice and Representation in American Politics” | University of Pennsylvania | April 2021

### ***Media Coverage***

- [Prof. Discuss Police Accountability One Year After George Floyd’s Murder](#) | *The Daily Northwestern* | May 2021
- [Five Myths About Felony Disenfranchisement](#) | *The Washington Post* | July 2020

## **Public Opinion, Private Governance, and the Influence of Source Credibility** **Janice Nadler**

While scholars have addressed the effects of popular media and political polarization on public opinion toward new laws, previous studies have largely ignored the effects of corporate endorsements. Building on surveys and case studies focused especially on food and animal law and sustainability, this project aims to fill that gap by exploring whether corporate endorsements—whether public statements or implementations of the endorsed practice—influence public support for legislation and regulation mandating said practice.

**Impact:** Nadler has conducted multiple studies under this project, and her findings suggest corporate sustainable practices can have a transformative effect on public attitudes and potentially reduce political polarization, making public regulation more achievable. Recently she was a member of a team that published research findings that showed how appeals to animal welfare concerns specifically may lead people to consume less meat, limiting factory farms and curbing environmental damage from industrial farming practices. The findings were cited by more than seventy news outlets. A forthcoming book with Cambridge University Press, tentatively titled “Empirical Animal Law,” will analyze key issues involving food and animal law and how individuals respond to various techniques to encourage better policies.

### ***Selected Presentations***

- “Expressive Law and Social Norms” | Tulane University | March 2023
- “Disgust, Harm, and Animal Welfare” | Northwestern University School of Law | June 2021

### **Racial and Ethnic Inequalities in Paternal Imprisonment, Investment in Families and Schools, and Child Inequity** **John Hagan**

For at least three decades, African American parents and their adolescent children have been at disproportionate risk of being imprisoned and removed from their families and communities. Some of these parents and children are now slowly returning to society. The primary goal of this research is to increase the understanding of processes leading into and out of the exclusionary traps of mass incarceration experienced by these parents and children. The research proposes to focus on (1) the family trajectories associated with variation across states in the imprisonment of Black and Latinx as contrasted with White parents and their offspring, (2) the patterns of youth profiling and punishment through which this variation has unfolded differently for minority youth compared to more privileged White youth, and (3) the later life outcomes that have followed from these differences in racialized treatment.

**Impact:** Given the disproportionate impact of mass incarceration on African American families and communities, this research offers critical insights not only for criminal justice policy but also for racial equity. Among the early findings Hagan and Foster have uncovered, heavier policing of schools in segregated neighborhoods amplifies perceptions of police bias, particularly among African American men. Moreover, the shadow of school policing extends well into adulthood, increasing Black men’s lifelong risks of social and financial exclusion. In future work, the research team hopes to extend these findings into a broader account of the role of neighborhoods and schools in perpetuating the patterns of incarceration, social marginalization, and economic disadvantage.

### ***Selected Presentations***

- “Chicago’s Reckoning: Racism, Politics, and the Deep History of Policing in an American City” | ABF Illinois Fellows and ABA Business Law Dinner | September 2023
- “Chicago’s Reckoning: Racism, Politics, and the Deep History of Policing in an American City” | Wachtell, Lipton, Rosen & Katz | January 2023
- “Law and the Power Politics of High-Level Corruption in an American City” | University of Iowa | May 2022

### **Regulating the Crisis, Phase I: An Exploratory Study of Landlord Responses to Pandemic-Era Tenant Protection Regulations** **Anna Reosti**

This project examines how landlords' ground-level business practices and interactions with tenants have affected the implementation and impact of pro-tenant regulations adopted during the COVID-19 pandemic. The initial phase of this study investigated how landlords responded to the immediate challenges of the pandemic for the rental industry, such as missed rent payments and a changing regulatory environment. The next phase of the project will draw on in-depth interviews with a diverse group of Chicago area landlords and other rental industry agents, housing advocates and policymakers, and distressed renters.

**Impact:** In housing markets across the country, rental industry groups have argued that new tenant protection laws are driving out mom and pop landlords, resulting in the loss of affordable housing. Leveraging a changing regulatory environment in Seattle, Reosti and collaborators investigated these

claims, publishing their findings as a working paper, “‘Mom-and-Pop’ Landlords and Regulatory Backlash: A Seattle Case Study.” Their findings run counter to pervasive political narratives and have received attention in the local media. In the project’s next phase, they will replicate this research in Chicago, which has also seen significant policy change in recent years, but has a much larger, older, and financially distressed small-scale rental sector.

### ***Selected Presentations***

- “How Durable are the Tenant-Friendly Business Practices of Small Landlords?” | American Sociology Association | August 18
- “Regulatory Backlash in an Era of Resurgent Tenant Power: The Case of ‘Mom & Pop’ Landlords.” | Law & Society Association Annual Meeting | June 2023
- “The Legal Life of the Rental Housing Crisis” | Augustana College | May 2023

### ***Media Coverage***

- [No, Renter Protections Aren’t Driving Out ‘Mom-and-Pop’ Landlords](#) | *Publicola* | December 2023
- [Chicago’s Two-, Three-, and Four-flats Are a Key Source of Affordable Housing. The Pandemic Might be Changing That](#) | *The Chicago Tribune* | March 2022
- [If Small Landlords in King County are Selling Their Rentals, Should We Care?](#) | *Crosscut* | July 2021

## **Science and the Legal System** **Shari Seidman Diamond**

This project investigates the relationship between science and law. While the legal system often—and increasingly—must call on scientists for assistance, studies show many scientists regard the legal system with suspicion or discomfort. The first systematic look at the sometimes-strained relationship between science and law, this project draws on detailed surveys with expert scientists and engineers, grouped by their past participation or willingness to serve as expert witness in a courtroom trial. The surveys offer valuable ideas about what might promote a better relationship when expert testimonies are needed.

**Impact:** This year, Diamond augmented four earlier surveys of expert scientists and engineers with a survey of experienced trial attorneys. Although both the experts and the attorneys supported some reforms to optimize the science-law relationship, such as permitting jurors to submit questions for experts, the experts were more supportive than the attorneys of several other reform proposals, including greater use of judge-appointed experts and joint reports from opposing experts. Science is an increasingly important tool for the legal system, and obtaining and using competent experts is crucial. Yet the current system faces problems in identifying those experts and using their expertise effectively. Diamond’s project is addressing this conflict.

### ***Selected Presentations***

- “Utilizing Scientific and Technical Expertise” | American Association for the Advancement of Science | September 2023
- “Surveys in *Jack Daniel’s v. VIP*, Supreme Court IP Review” | Chicago-Kent Law School | September 2023
- “Why Disputes Don’t (But Sometimes Do) End Up in Trial” | University of Illinois Chicago | April 2022



### **Media Coverage**

- [Is Jurors' Sexual Abuse History Relevant in Sexual Abuse Cases](#) | *Psychology Today* | October 2022
- ['Unbelievable' Verdicts in Email Forwards Usually Are Just That](#) | *The News-Gazette* | May 2021
- [New ABA Study Explains Why Civil and Criminal Jury Trials are Disappearing](#) | *Legal News* | February 2021

### **Verification of Voter Eligibility: The Process of Disenfranchisement** **Traci Burch**

States and local jurisdictions allow their residents to vote to elect many local, state, and federal officials. However, most jurisdictions restrict the eligibility to vote based on age, citizenship, residency, felony convictions, and, in some cases, even mental capacity. The rules of eligibility can seem simple and straightforward to apply in most cases, but for many people who want to vote, establishing that they meet these eligibility criteria is difficult. This project explores the process of registering or staying registered to vote for people in the gray areas of eligibility. Data and evidence will be collected to examine how administrative practices create these gray areas and to attempt to trace how government acquires additional information that can verify eligibility.

**Impact:** This project will document the processes for verifying eligibility in several counties. Burch will show how these processes can pose barriers for voters from different demographic groups—and how, in some cases, enterprising political actors have used verification processes to create intentional barriers for people who want to vote.

### **Selected Presentations**

- “Race and Electoral Reform Panel” | Harvard Law School | September 2023

### **Media Coverage**

- [Federal Lawsuit Alleges Galveston County Redistricting Violated Voting Rights Act](#) | *The Texan* | August 2023
- [County a 'Largely Segregated Place' Gerrymandering Witness Asserts](#) | *Galveston County Daily News* | August 2023
- [A Government Official Helped Them Register. Now They've Been Charged with Voter Fraud](#) | *ProPublica* | July 2022

## **Making and Implementing Law**

### **Branding Law: Genre, Rule of Law, and U.S. Federal Public Legislation** **Jothie Rajah**

In a liberal democracy, legislation is meant to be accessible. Yet it is rife with illegible syntax, which is in tension with rule of law ideals requiring law to be published, clear, and generally accessible. Since the 1980s, legislation has incorporated elements from popular genres to make it more easily understood. Rajah questions whether these additions actually improve accessibility—or whether the nationalistic and populist rhetoric only appears to do so. Richly interdisciplinary, this project looks at concepts central to law, including freedom, democracy, human rights, jurisdiction, sovereignty, and “the people,” and analyzes how this blending of genres is reconfiguring the meanings of these concepts, as well as the overall language and politics of law.

**Impact:** By bringing much-needed attention to hidden influences behind the language of law, this project stands to help scholars and the public understand how legislation may—or may not—truly align with the principles of the rule of law and liberal legality. As part of the project, Rajah intends to develop a public website, which will feature data from the analysis of legislation, congressional debates, and news media.

### ***Selected Presentations***

- “Populism’s Melodramatic International Law: The 1998 U.S. International Religious Freedom Act” | Monash Law Chambers | June 2023
- “Law, Development, and Violence in the 21<sup>st</sup> Century” | Geneva Graduate Institute | April 2023
- “New Directions for Law and Language | North-West University, South Africa | March 2022

## **Buddhism and Comparative Constitutional Law**

**Tom Ginsburg**

This project investigates the role, influence, and transformations of Buddhism in the context of Asian constitutional practice, past and present. This topic is one that has not been studied, even as the role of Buddhism in constitutional politics is increasingly prominent, and many countries of the region are in the midst of significant transformations. Bringing together scholars with diverse areas of expertise and disciplinary training, both US-based and international, the project has sought to elucidate the relationship between Buddhism and constitutional law in a comparative perspective, offering a complex portrait of the “Buddhist-constitutional complex.”

**Impact:** Buddhism and Constitutional Law established a new field of inquiry by connecting a group of scholars working on various parts of Asia in a common discussion. Since the publication in November of an open-access edited volume by the same title, Ginsburg and collaborators have been working to promote the project’s ideas, giving twelve presentations in eleven different countries. These presentations have stimulated further research by scholars in countries in Buddhist Asia and exposed the broader community of comparative constitutional law scholars to the ideas in the book. The book has had more than 10,000 downloads in the first year, and an [accompanying website](#) provides additional documentation on the project.

### ***Selected Presentations***

- “Buddhism and Law” | University of New South Wales, Australia | July 2023
- “A Short History of Judicial Review” | Supreme Court of Bhutan | June 2023
- “Buddhism and Comparative Constitutional Law” | National Taiwan University Faculty of Law | February 2023
- “Buddhism and Comparative Constitutional Law” | National University of Singapore Law Faculty | January 2023

## **Legal Characteristics of International Organizations**

**Tom Ginsburg**

This project aims to examine the legal characteristics of international organizations (IOs), or organizations composed of multiple states, formed under international law, and which are major actors on the international stage. The project will produce the first publicly available database of IO legal characteristics, including IO powers, voting rules, budget processes, immunities, secretariat, systems of dispute resolution, and more. This database will for the first time elucidate the most common legal features that are characteristic of IOs. This in turn will help consolidate the sometimes-fuzzy definition of IOs that is standard in academic accounts, informing legal decision-makers and improving our understanding of the relationship between democracy and international law.

**Impact:** Legal Characteristics of International Organizations has the potential to inform the work of international lawyers both within and outside of international organizations. With the project still in the early stages of data-gathering, Ginsburg has presented the work in various environments and conducted interviews with IOs in several countries to test ideas and gather additional qualitative data. In addition, the expectation is that he will create a publicly accessible website to stimulate greater awareness of international organization charters.

### ***Selected Presentations***

- “Proposed Changes to the Israeli Legal System: Background, Process, and Outlook” | American Bar Association International Law Section | April 2023
- “Democracies and International Law” | American Society of International Law | March 2023
- “Democracies and International Law” | American Society of International Law | March 2023
- “Incentivizing Political Succession” | Hamburg University | January 2023
- “Models of Constitutional Review” | Hebrew University Jerusalem | December 2023

### ***Media Coverage***

- [Opinion: Having a King Like Charles is a Good Defense for Democracy](#) | Project Syndicate | May 2023
- [Israel’s Constitutional Crisis](#) | *We the People* | March 2023
- [A Law Professor Worries Israel Could Become the Next Hungary](#) | Jewish Telegraphic Agency | January 2023
- [Chile Votes on Constitution That Would Enshrine Record Number of Rights](#) | *New York Times* | September 2022
- [Dictators and Utopians are Fond of Fiddling with Constitutions](#) | *Economist* | August 2022

## **Our Court: A New History of the United States Supreme Court Christopher Schmidt**

This project examines the evolution of the United States Supreme Court’s relationship with various extrajudicial actors—from presidents to public interest groups to everyday citizens—over the past century. At the heart of the study are the attitudes, expectations, practices, and institutions that connect the Court to American society and American society to the Court. This project asks why, in the period from 1930 to today, the Supreme Court evolved from an institution that was generally understood as standing apart from the American society to an institution that politicians, reformers, and much of the public treat as an integral component of American political and cultural life.

**Impact:** Schmidt is currently conducting research on this project. He is collecting secondary source literature on legal histories of the modern Supreme Court and primary sources from the Library of Congress and the personal papers of 1930 Supreme Court nominee John Parker. He is drafting an article on the defeat of Parker and Franklin D. Roosevelt’s 1937 Court-Packing Plan.

### ***Selected Presentations***

- “A History of the History of the Fourteenth Amendment in Constitutional Adjuration,” Journal of American Constitutional History Biennial Conference | September 2023
- “The Defeat of Judge Parker and the Making of the Modern Supreme Court” | University of Minnesota Legal History Workshop | September 2023
- “The Dilemma of the Supreme Court” | University of Georgia Faculty Workshop | April 2023
- “The Dilemma of the Supreme Court” | St. Louis University | April 2023
- “Civil Rights in America: A History” | University of Iowa College of Law | September 2022

### **Media Coverage**

- [Gen Z Roiled by Supreme Court Rulings on Student Loans, Abortion](#) | *Bloomberg Law* | July 2023
- [80 Years Ago This Week, Activists Staged one of Nation's First Sit-Ins at Kenwood Coffee Shop](#) | *Hyde Park Herald* | May 2023

### **Rule of Law Discourses Jothie Rajah**

“Rule of law” is a concept and category incessantly invoked in the international public domain. At different times and in different hands, a range of different meanings has attached to rule of law. This project studies the bearing of 9/11 on rule of law. In particular, and of urgent legal, political, and social concern, is the manner in which meanings and values of rule of law are conveyed outside the sphere we traditionally think of as legal. In attending to this development, the project includes both doctrinal and non-doctrinal articulations of meanings, values, and relations of rule of law.

**Impact:** In November 2022, Rajah published the capstone book of this project, *Discounting Life: Necropolitical Law, Culture, and the Long War on Terror* (Cambridge University Press). By studying the U.S. War on Terror, Rajah describes how the legal framework of necropolitics justified extrajudicial killings by broadening the umbrella of who falls under enmity. “Military-age male,” “imminent danger,” and “collateral damage” were terms used by U.S. military officials to frame the death or injury of innocent civilians as a predictable result of warfare. She argues that necropolitical law, paired with the narrative of the War on Terror that generated a persistent threat of terrorist attacks after 9/11, fostered the fear that cultivates citizen acquiescence to vengeance and asymmetrical warfare.

### **Selected Presentations**

- “Necropolitical Law and the Mother of all Bombs” | University of British Columbia | October 2023
- “Discounting Life: Necropolitical Law, Culture, and the Long War on Terror” | American Bar Association Annual Meeting | August 2023
- “Discounting Life: Necropolitical Law, Culture, and the Long War on Terror” | Law & Society Association Annual Meeting | June 2023
- “Discounting Life: Necropolitical Law, Culture, and the Long War on Terror” | Cardozo Law School | May 2023
- “Rule of Law and the UN’s Sustainable Development Goals” | Thailand Institute of Justice | June 2022

### **The Legal Transformation of Medicine: How Rules Work in the International World of HIV/AIDS Carol Heimer**

This book project braids together investigations of three transformative events—the “legalization” and globalization of medicine and the advent of HIV/AIDS—in a study of how laws, regulations, and other rules are actually used in HIV research and treatment in the United States, Uganda, South Africa, and Thailand. It investigates what happens when laws, regulations, and guidelines, admittedly created with the best of intentions, are transported to new sites where they confront the realities of medical care, clinical research, and healthcare administration in developing countries. Impacts include resource shortages, desperate patients, cross-cultural miscommunications about ethical principles, discrepancies between first-world research designs and third-world research settings, as well as the mundane uncertainties typical of the encounter between medicine and human biology.

**Impact:** Heimer is finalizing her book manuscript for this project, licensed with the University of Chicago Press. Her findings reveal that international organizations, when funding and regulating clinics in the Global South, often wrongly assume that conditions are the same as those in clinics of the Global North. This creates unclear and dangerous constraints for clinicians who must apply these guidelines in more resource-constrained settings. Heimer also emphasizes the need for changes in the governance and practice of global medicine, to move from responding to global pandemics like HIV/AIDS and COVID-19 to preventing them.

### ***Selected Presentations***

- “The Mundanity of Ignorance: Layered Backstages and Ritual Surplus” | University of the Witwatersrand, South Africa | October 2023
- “Can Hard Science and Soft Law Create Moral Obligations? HIV and the Legal Turn in Healthcare” | American Bar Foundation Board of Directors Research Presentation | November 2022
- “Speaking Science to Economics: Securing Compliance During Pandemics” | ComplianceNet | July 2022

### **The Probative Versus Prejudicial Effect of Gruesome Photographs in Court Janice Nadler**

Courtroom images can influence beliefs, emotions, and judgments in ways that have never been empirically examined. This project will investigate how these emotionally evocative modes of visual evidence can affect the psychology of jurors’ decision-making processes through influence on emotions, attention to evidence, and legal judgments at the individual and group level. This project examines the extent to which gruesome photographs (versus verbal descriptions or neutral photographs) rouse negative emotion, causing jurors to pay more selective attention to case evidence that is consistent with their emotions and less attention to evidence that is not consistent with them.

**Impact:** The ubiquity of cellphone cameras has sparked an explosion of visual evidence, much of which is gruesome or emotionally charged. Meanwhile, empirical knowledge of the effects of such evidence has lagged behind. Nadler is testing individual and group responses to gruesome or emotionally charged photos and video shown as evidence, as well as the efficacy of possible safeguards, such as substituting black and white photographs. Her testing thus far raises the possibility that Victim Life Photograph laws may unintentionally exacerbate racial bias.

### ***Selected Presentations***

- “Gruesome Photographs and Group Deliberation” | San Diego Fellows of the American Bar Foundation | May 2023
- “The Impact of Gruesome Photographs, Emotion-Awareness Jury Instructions, and Deliberation on Mock Juror Verdicts” | Law & Society Association Annual Meeting | June 2022
- “The Emotional Influence of Gruesome Photographs in the Courtroom” | Harvard University Law School | May 2021
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### ***Media Coverage***

- [How to Gain Trust: A Practical Guide](#) | *The New York Times* | June 2021
- [Death Row: Allowing Victims’ Families to Testify May Make Sentencing Less Fair](#) | *The National Interest* | December 2020

## **The VAT Laggard: A Comparative History of U.S. Tax Resistance to the Value-added Tax** **Ajay K. Mehrotra**

The US is among the least taxed industrialized nations in the world, with total taxes/GDP ratio of 26%, well below the OECD average of 34%. New, more robust forms of taxation such as the VAT, popular throughout much of the world, offer one way to address growing American economic inequality, which leads much of the developed world and is skewed disproportionately by race and gender. Yet attempts to address growing inequality through US fiscal policy have been burdened by the myth of the “overtaxed” American, the misguided notion that US taxpayers pay more in taxes. This project explores three key historical periods from a comparative perspective to study how and why the U.S. has failed to adopt national consumption taxes like the VAT, and what that might tell us about American views towards taxes and government spending.

**Impact:** This project aims to understand why the U.S. is the only advanced industrialized country without a value-added tax—and what this absence tells us about the peculiar historical development of the modern American fiscal and social welfare state. It shows that the absence of a VAT in the U.S. is an example of American fiscal exceptionalism that has hindered progress towards greater economic equality. Mehrotra published two articles related to this project. “The Missing U.S. VAT,” published in the *Northwestern University Law Review*, was a broad overview of the research question and its implications for the looming U.S. fiscal crisis. The second article in the journal *Modern American History* focused on a pivotal historical case study—the consideration and rejection of a national consumption tax in the 1920s.

### ***Selected Presentations***

- “Nixon’s VAT: Lawyers, Economists, and the Rise and Fall of 1970s Value-Added Tax to Fund Education” | Law, Culture & Humanities Conference | July 2023
- “Nixon’s VAT: Lawyers, Economists, and the Rise and Fall of 1970s Value-Added Tax to Fund Education” | Law & Society Association Annual Conference | June 2023
- “Nixon’s VAT: Lawyers, Economists, and the Rise and Fall of 1970s Value-Added Tax to Fund Education” | University of Melbourne Law School | February 2023
- “The VAT Laggard: A Comparative History of U.S. Resistance to National Consumption Taxes” | Australian National University | February 2023

### ***Media Coverage***

- [Moores Lean on 1916 Tax Expert to Argue No Realization Means No Income](#) | *Forbes* | November 2023
- [Windfall Profit Taxes Have Benefits, But the Devil is in the Details](#) | *Washington Post* | October 2022
- [Biden Threatens Windfall Tax on Oil Profits and War Profiteers](#) | *Forbes* | November 2022

## **Trust 2.0: Law, Social Control, and New Technologies of Trust** **Susan Shapiro**

Observers of the world of trust or fiduciary relationships have identified an evolution from institutional trust—which flows upward from individuals to states, organizations, and third parties—to distributed trust—which “flows laterally between individuals, enabled by networks, platforms, and systems.” Examples include the difference between the dollar and bitcoin, the New York Stock Exchange and Kickstarter, the New York Times and Facebook, or the United Way and GoFundMe. Fueled by new technologies, distributed trust is often virtual, digital, global, decentralized, algocratic, and sometimes structured to escape legal or government oversight. This capstone project examines the legal and social control of computer-mediated distributed trust. The project surveys new developments in the role of law,

regulation, and social control of distributed trust and the opportunities, strategies, efficacy, and limitations of these measures.

**Impact:** By examining misinformation and the crises of trust facing the news and social media, as well as cryptocurrency, *Trust 2.0* intervenes in some of the most profound, cutting-edge challenges of our day. In October 2022, Shapiro published “To Tell the Truth, the Whole Truth, and Nothing but the Truth: Truth Seeking and Truth Telling in Law (and Other Arenas)” in the *Annual Review of Law and Social Science*. A second article, “Crypto Fever and the Betrayal of Trustless Trust,” is under peer review and expected in 2024. Addressing the current legal and regulatory challenges of mapping existing rules to a turbulent and ever-changing virtual world, both articles highlight new opportunities—and potential pitfalls—of exploiting digital technologies like algorithms and blockchain protocols to shore up trust.

### ***Selected Presentations***

- “Crypto Fever and the Betrayal of Trustless Trust” | Missouri Fellows of the ABF | September 2023

## Summary of ABF Publications 2022-23

**Isabel Anadon** (2021-22 Doctoral Fellow)

- [“The Role of States in U.S. Immigration: A Study of Population Dynamics and Subnational Immigration Laws”](#) 114 *Social Science Research* 1 (2023)

**Traci Burch**

- [“Which Lives Matter? Factors Shaping Public Attention to and Protest of Officer-Involved Killings”](#) (Cambridge University Press, 2023)
- [“Adding Insult to Injury: The Justification Frame in Official Narratives of Officer-Involved Killings”](#) 7 *Journal of Race, Ethnicity, and Politics* 359 (2022)
- [“Officer-Involved Killings and the Repression of Protest”](#) 59 *Urban Affairs Review* 580 (2022)

**Kirsten Matoy Carlson** (2023-24 ABF/JPB Access to Justice Scholar)

- [“Representation, Participation, and Influence: Comparing Native American Advocacy with Organized Interest at the Federal Level”](#) *Social Science Journal* (2023)
- [“The Democratic Difficulties of \*Oklahoma v. Castro-Huerta\*”](#) 45 *New Political Science* 239 (2023)
- [“Bringing Congress and Indians Back into Federal Indian Law: The Restatement of the Law of American Indians”](#) 97 *Washington Law Review* 725 (2022)

**Stephen Daniels**

- [“Alternative Legal Professionals and Access to Justice: Failure Success, and the Evolving Influence of the Washington State LLLT Program \(The Genie Is Out of the Bottle\)”](#) 71 *DePaul Law Review* 277 (2022)
- “The Rule of Law is Fragile: The Importance of Legitimacy and Access” 1 *Civil Justice in America: Responsibility to the Public* 67 (2022)

**Meghan Dawe** (Research Social Scientist)

- [“The Black-White Student Debt Gap Among Law School Graduates”](#) (The Practice, 2023)
- [“The Making of Lawyers’ Careers: Inequality and Opportunity in the American Legal Profession”](#) (w. R.L. Nelson, R. Dinovitzer, B. Garth, J. Sterling, D.B. Wilkins, and E. Michelson) (University of Chicago Press, 2023)

**Hardeep Dhillon** (2021-23 Postdoctoral Fellow)

- [“The Making of Modern U.S. Citizenship and Alienage: The History of Asian Immigration, Racial Capital, and U.S. Law”](#) 41 *Law and History Review* 1

**Shari Seidman Diamond**

- [“Fair Juries.”](#) Shari Seidman Diamond, 2023 *University of Illinois Law Review* 879 (2023)
- [“Trademark and Deceptive Advertising Surveys: Law Science, and Design”](#) (w. J.B. Swann, eds.), (American Bar Association, 2022), including:
  - Chapter 1, “Editor’s Introduction: Surveys in Modern Litigation Involving Trademarks and Deceptive Advertising” (w. J.B. Swann)



- Chapter 7A, “Surveys in Dilution Cases”
- Chapter 9, “Control Foundations: Rationales & Approaches”

### Ronit Dinovitzer (Faculty Fellow)

- [\*The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession\*](#) (w. R.L. Nelson, B. Garth, J. Sterling, D.B. Wilkins, M. Dawe, and E. Michelson) (University of Chicago Press, 2023)

### Chiara Galli (2023-24 ABF/JPB Access to Justice Scholar)

- [\*Precarious Protections: Unaccompanied Minors Seeking Asylum in the United States\*](#) (University of California Press, 2023)
- [“The Effects of the COVID-19 Pandemic ‘Crisis’ on Unaccompanied Minors Navigating U.S. Removal Proceedings”](#) 12 *Social Sciences* 373 (2023)
- [“Wolves in Sheep’s Clothing? What Central American Unaccompanied Minors Know About Crossing the U.S.-Mexico Border”](#) 38 *Journal of Borderline Studies* 975 (2023)

### Tom Ginsburg

- [\*Comparative Constitutional Law in Africa\*](#) (w. R. Dixon and A.K. Abebe, eds.) (Edward Elgar Publishing, 2022)
- [\*Constitution-Makers on Constitution-Making: New Cases\*](#) (w. S. Bisarya, eds.) (Cambridge University Press, 2022)
- [\*Buddhism and Comparative Constitutional Law\*](#) (w. B. Schonthal, eds.) (Cambridge University Press, 2022)
- [“East Asian Monarchy in Comparative Perspective”](#) in Z. Wang, ed. *The Long East Asia* (Springer, 2023)
- [“The Law of the Sea and Democracy,”](#) 41 *Berkeley Journal of International Law* 115 (2023)
- [“The Institutional Context of the International Court of Justice.”](#) in C. Esposito and K. Parlett eds. *The Cambridge Companion to the International Court of Justice* (Cambridge University Press, 2023)
- [“Constitutional Design Options for Territorial Cleavages in the Middle East,”](#) in A.Ü. Bâli and O.M. Dajani eds. *Federalism and Decentralization in the Contemporary Middle East and North Africa* (Cambridge University Press, 2023)
- [“The Value of ‘Tyrannophobia’”](#) 33 *Journal of Democracy* 160 (2022)
- [“The Future of Liberal Democracy in the International Legal Order,”](#) in D.S. Sloss, ed. *Is the International Legal Order Unraveling?* (University of Oxford Press, 2022)
- [“Ideation and Innovation in Constitutional Rights”](#) (w. Z. Elkins) 16 *The Law & Ethics of Human Rights* 217 (2022)
- [“Academic Freedom and Democratic Backsliding”](#) 71 *Journal of Legal Education* 238 (2022)
- [“The Pragmatics of Democratic ‘Front-Sliding’”](#) (w. A. Huq) 36 *Ethics & International Affairs* 437 (2022)
- [“Democratic Backsliding and Multiracial Democracy: A Response to the 2021 Jorde Symposium Lecture by Steve Levitsky,”](#) 110 *California Law Review* 2035 (2022)
- [“Choosing a Successor in the Shadow of Term Limits,”](#) 57 *Texas International Law Journal* 287 (2022)

## Jacob Goldin

- [“Measuring at Mitigating Racial Disparities in Tax Audits”](#) (Stanford Institute for Economic Policy Research, 2023)

## John Hagan

- [“Chicago’s Reckoning: Racism, Politics, and the Deep History of Policing in an American City”](#) (w. B. McCarthy and D. Herda) (Oxford University Press, 2023)
- [“Homelessness, Offending, Victimization, and Criminal Legal System Contact”](#) (w. B. McCarthy) 7 *Annual Review of Criminology* 1 (2023)
- [“Beliefs about Legality and Benefits for Mental Health”](#) (w. L. Upenieks, I. Sendroiu, and R. Levi) 63 *Journal of Health and Social Behavior* 266 (2022)
- [“Association Between Intergenerational Violence Exposure and Maternal Age of Menopause”](#) (w. H. Foster, J. Brooks-Gunn, and J. Garcia) 29 *Menopause* 284 (2022)
- [“The President and the Boss’s Son: Prosecuting the Crimes of America’s Most Powerful”](#) (w. B. McCarthy and D. Herda) 27 *Theoretical Criminology* 357 (2022)

## Terence Halliday

- [“Global Legal Change from Below and Above”](#) 50 *Journal of Law and Society* 1 (2023)
- [“Transnational Legal Order Through Rule of Law? Appraising the United Nations Security Council, 1990-2022”](#) (w. J. Farrall) 8 *UC Irvine Journal of International, Transnational, and Comparative Law* 27 (2023)
- [“China’s Lawyers and China’s Public: ‘When the People Awake’”](#) SSRN (2023)
- [“Autonomy in Extremis: China’s Notable Activists Lawyers and Their Political Sociology of Basic Legal Freedom”](#) SSRN (2023)
- [“Judges Under Stress: Legal Complexes and a Sociology of Hope”](#) SSRN (2023)

## Carol A. Heimer

- *The Legal Transformation of Medicine: How Rules Work in the International World of HIV/AIDS* (University of Chicago Press, Under Contract)
- [“Where Law and Morality Meet: Moral Agency and Moral Deskillling in Organizations”](#) in S. Dromo, A. Luft, S. Hilton (eds.), *Handbook of the Sociology of Morality* (Springer, 2023)
- [“The Algorithm Will See You Now”](#) 38 *Sociological Forum* 1507
- [“Good Law to Fight Bad Bugs: Legal Responses to Epidemics”](#) (w. C. Davis) 18 *Annual Review of Law and Social Science* 1 (2022)

## Sida Liu (Faculty Fellow)

- [“The Asian Law and Society Reader”](#) (w. L.J. Chua and D.M. Engle eds.) (Cambridge University Press, 2023)
- [“The Decline of Two Forces in Chinese Law and Governance”](#) 10 *Chinese Journal of Comparative Law* 118 (2022)
- [“Institutional Proximity and Judicial Corruption: A Spatial Approach”](#) (w. J. Wang) 35 *Governance* 633 (2022)
- [“The Decline of Two Forces in Chinese Law and Governance”](#) 10 *The Chinese Journal of Comparative Law* 118 (2022)

- [“Professional Flows: Lateral Moves of Law Firm Partners in Hong Kong, 1994-2018”](#) (w. D. Blocq, A. Honari, and A. Au) 9 *Journal of Professions and Organizations* 1 (2022)
- [“Between Rules and Power: Finding a Place for Lawyers in the Sociology of Professions”](#) in R.L. Abel, O. Hammerslev, H. Sommerlad, and U. Schultz (eds.) *Lawyers in 21<sup>st</sup>-Century Societies* (Oxford: Hart Publishing, 2022)

### **William H. J. Hubbard**

- [“Court on Trial: A Data-Driven Account of the Supreme Court of India”](#), w. A. Chandra and S. Kalantry (Penguin Random House India, 2023)
- [“Civil Procedure as the Regulation of Externalities: Toward a New Theor of Civil Litigation”](#) w. R. Avraham, 89 *The University of Chicago Law Review* 1 (2022)

### **Claire Johnson Raba (ABF/JPB Access to Justice Scholar)**

- [“One-Sided Litigation: Lessons from Civil Docket Data in California Debt Collection Lawsuits”](#) (Debt Collection Lab, 2023)
- [“The Unequal Burden of Debt Claims: Disparate Impact in California Debt Collection Cases”](#) (Debt Collection Lab, 2023)
- [“Untapped Tools: The Power of State Debt Collection Laws to Protect Student Loan Borrowers”](#) 22 *UIC Law White Papers* 37 (2022)

### **Ajay K. Mehrotra**

- [“The Missing U.S. VAT: Economic Inequality, American Fiscal Exceptionalism, and the Historical U.S. Resistance to National Consumption Taxes”](#) 117 *Northwestern Law Review* 151 (2022)
- [“Experts, Democracy, and the Historical Irony of U.S. Tax Policy: Thomas S. Adams and the Beginnings of the Value-Added Tax”](#) 5 *Modern American History* 239 (2022)
- [“A Portrait of Asian Americans in the Law 2.0: Identity and Action in Challenging Times”](#) w. T. Dang, K. Fang, B. Lu, M. Tayag, and G. Liu (American Bar Foundation, 2022)

### **Reuben J. Miller**

- [“The Afterlife of Mass Incarceration, or What Does it Mean to Need a ‘Brute’ in the Twenty-First Century”](#) 96 *Social Service Review* 163 (2022)

### **Janice Nadler**

- [“Assigning Punishment: Reader Responses to Crime News”](#) (w. K. Albrecht) 13 *Frontiers in Psychology* 1 (2022)

### **Robert L. Nelson**

- [“The Making of Lawyers’ Careers: Inequality and Opportunity in the American Legal Profession”](#) (w. R. Dinovitzer, B. Garth, J. Sterling, D.B. Wilkins, M. Dawe, and E. Michelson) (University of Chicago Press, 2023)

## Laura Beth Nielsen

- [“The Exonerating “Guise of Brotherhood””: Intra-Fraternal Sexual Violence Survivor’s Accounts of Illegibility](#)” w. D. Fishman and S. Esthappen, 26 *Men and Masculinities* 91 (2022)
- [“Misunderstanding Law: Undergraduates’ Analysis of Campus Title IX Policies”](#) w. K. Albrecht and L. Wuorinen, 45 *Educational Evaluation and Policy Analysis* 247 (2023)
- “Space, Speech, and Subordination on College Campus” in J.R. Stoner Jr., P.O. Carrese, and C. McNamara eds. [Free Speech and Intellectual Diversity in Higher Education](#) (Rowman & Littlefield 2023)

## Jothie Rajah

- [Discounting Life: Necropolitical Law, Culture, and the Long War on Terror](#) (Cambridge University Press, 2022)
- “Law’s Governing Centers: A Global Sociolegal Approach” in F. Gadinger and J.A. Scholte (eds.) [Polycentrism: How Governing Works Today](#) (Oxford University Press, 2023)

## Rebecca L. Sandefur (Faculty Fellow)

- [“All Together Now: Building a Shared Access to Justice Research Framework for Theoretical Insight and Actionable Intelligence”](#) w. M. Burnett, 13 *Oñati Socio-Legal Series* 1330 (2023)
- [“The Public Understanding of Law Survey: Volume 1 Everyday Problems and Legal Needs”](#) (w. N.J. Balmer, P. Pleasence, and H.M. McDonald, eds.) (Victoria Law Foundation, 2023)
- [“Access to Justice and Legal Services Regulatory Reform”](#) (w. E. Denne) 18 *Annual Review of Law and Social Science* 27 (2022)
- [“Designing Just Solutions at Scale: Lawyerless Legal Services and Evidence-Based Regulation”](#) (w. M. Burnett) 19 *Direito Público* 102 (2022)
- [“Paralegals and the Casualization of Legal Labor Markets”](#) (w. H. Sommerlad, J. Hersant, N. Holvast, L. Verzelloni, S. Gustafsson, and T. Clark) in R.L. Abel, H. Sommerlad, O. Hammersley, and U. Schulz (eds.) *Lawyers in 21<sup>st</sup>-Century Societies: Vol. 2- Comparisons and Theories* (Bloomsbury Publishing, 2022)

## Christopher W. Schmidt

- [“Felix Frankfurter Reconsidered”](#) (JOTWELL, 2023)

## Susan P. Shapiro

- [“To Tell the Truth, the Whole Truth, and Nothing but the Truth: Truth Seeking and Truth Telling in Law \(and Other Areas\),”](#) 18 *Annual Review of Law and Social Science* 61 (2022)

## Neel U. Sukhatme (2023-24 ABF/JPB Access to Justice Scholar)

- [“Felony Financial Disenfranchisement”](#) (w. A. Billy and G. Bagwe) 76 *Vanderbilt Law Review* 143 (2023)

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## Detailed Fundraising Efforts

In addition to the ABE annual grant, the ABF relies upon several other funding sources to support its research, programming, and operations. The ABF has five primary sources of funding outside of the annual ABE grant: (1) the Fellows of the ABF; (2) grants from organizations such as the National Science Foundation (NSF), AccessLex Institute, JPB Foundation, and other grantmaking entities; (3) contributions from individuals who are not Fellows; (4) contributions from institutions that are not primarily grantmaking entities, such as law firms and corporations; and (5) the annual yield from our own ABF endowment. We describe below the importance of each of these funding sources, and the steps we are taking to maintain and enhance these sources of revenue.

### **The Fellows of the American Bar Foundation**

The Fellows of the American Bar Foundation (the Fellows) comprise an international honorary society of more than 15,000 leading members of the organized bar, bench, and legal academy. Through annual charitable donations, the Fellows support the ABF's general operations as well as the Foundation's robust research and programming portfolio. These contributions have accounted for approximately 30% of the ABF's total revenue since FY 2014-15. Although FY 2019-20 was an exception because Fellows recruitment was suspended during the early months of the pandemic, since FY 2014-15, the ABF has added 600-1,000 new Fellows each year. Barring any unforeseen circumstances, we anticipate adding roughly 700 new Fellows during the current fiscal year.

This year, we have budgeted Fellow's revenue to be \$2.4 million. In a continued collaborative relationship with the ABA, since 2014 the ABF staff has reached out to more than 970 non-ABA members who were nominated to become Fellows. The outreach, which encourages joining the ABA and provides an ABA link and phone number to do so, resulted in 177 individuals joining the ABA. Finally, in an effort to reduce the cost associated with printing and mailing Fellows recruitment materials, the ABF staff has implemented a digital recruitment effort. Although the sample size is still small, to date we have seen roughly the same acceptance rate from individuals who received electronic invitations and those who received paper invitations in the U.S. mail.

### **Third-Party Grants**

External funding from institutions such as the National Science Foundation (NSF), AccessLex Institute, and The JPB Foundation continues to be an important part of the ABF's revenue stream. Support from these grantmaking institutions allows the ABF to launch and expand fellowship programs, host workshops, and further faculty research. Third-party grants awarded in the current calendar year thus far are listed below.

1. AccessLex Institute awarded \$661,294 over three years for the ABF's Emerging Scholars Fellowship Program in Legal and Higher Education. Awarded in November, 2023, this grant will support doctoral and post-doctoral Fellows for three fiscal years.
2. The National Science Foundation (NSF) awarded \$356,972 over three years for the Law and Social Science Fellowship and Mentoring Program on Law & Inequality. Awarded in July, 2023, this grant will support doctoral and post-doctoral Fellows in the three fiscal years beginning September 1, 2023.

In some cases, the ABF is a subrecipient of a grant from a pass-through entity. Most recently, the ABF has received the following two subawards from its Access to Justice Initiative, led by Faculty Fellow Rebecca Sandefur:

1. The National Science Foundation (NSF) awarded \$49,382 to Arizona State University (with an ABF subaward of \$4,706) across one year, to support a workshop on Advancing Federal Policy Priorities through Access to Justice research. (August 2023).
2. The National Science Foundation (NSF) awarded \$999,999 to the University of Minnesota (with an ABF subaward of \$48,466) for a one-year pilot project exploring the potential of community justice-workers to address access to justice issues. (September 2023).

### **Other contributions**

The ABF takes seriously the need to diversify revenue sources and expand existing funding streams. This section details our efforts to that end.

#### *Individuals*

We are grateful for the many ABF Fellows who continue to make financial contributions after their initial pledge commitment is fulfilled. Continued giving is a signal that these Life Fellows believe in the ABF's mission and value our research and programming. In recent years, we have made concerted efforts to engage these committed individuals more deeply with the ABF. We have developed several vehicles to further a Fellow's involvement with the ABF: serving as a Fellows State Chair, a National Fellows Officer, an ABF Board member, a member of the Fellows Research Advisory Committee (FRAC), or a Fellows Ambassador to an ABA Section/Division/Forum or a specialty bar. We have found that an invitation to serve in one of these capacities is considered a great honor and is an excellent way for our most committed supporters to learn more about the ABF's work.

We are increasingly receiving more support from individuals outside of the Fellows. Most often, these individuals learn about the ABF by reading about one of our special endowed funds (described later in this section) or by attending a Fellows event as a guest of a Fellow. To help grow support from individuals outside the auspices of the Fellows, we established the Council of Advisors (CoA) in 2019. The CoA provides volunteer leadership to the ABF through their skills, networks, and business and professional acumen. CoA members are selected based upon their distinct area(s) of expertise and their past, present, or anticipated future interest in advancing the ABF's research agenda. The CoA currently consists of six members – a federal judge, a publisher, a physician, a CPA, an educator, and a government general counsel. CoA members attend FRAC meetings every year to gain an in-depth understanding of select ABF research projects.

#### *Institutions*

Institutions have been providing ABF event sponsorship support for many years. Since FY 2014-15, 125 entities have provided sponsorship support for ABF events. Law firms are our largest category of sponsor organizations, followed by state and local bar associations, and universities

and academic departments. The remaining sponsors have been cultural institutions, foundations, corporations, and legal organizations such as Legal Aid Society, the Chicago Community Trust, and the Practising Law Institute. Sponsorship support more than tripled from a total of \$37,000 in FY 2014-15 to \$120,500 in FY 2018-19. The global pandemic in the spring of 2020 ushered in an abrupt halt to in-person gatherings, thereby decreasing event sponsorship drastically. As we return to in-person events, sponsorship from institutions is also slowly bouncing back, receiving close to \$45,000 in institutional sponsorship support during FY 2022-23.

We are increasingly focused on seeking general and programmatic support from law firms and corporations. Six national law firms, four specialty bar associations, two universities, and one corporation have all provided generous support for Portrait Project 2.0, a research project exploring the current challenges and opportunities faced by the Asian American legal community (See **Tab 6**).

#### *William Hubbard Conference on Law & Education Endowment*

William Neukom's lead investment of \$150,000 to endow the Hubbard Conferences on Law & Education has been matched and exceeded with gifts and commitments from 96 individuals and three organizations contributing \$180,000 in gifts ranging from \$20 to \$27,500. The total endowment is now \$330,000.

The inaugural ABF William Hubbard Conference on Law & Education was held on February 25, 2022 at University of South Carolina School of Law in Columbia, SC. as a part of the South Carolina Law Review's annual symposium, and carried the theme "Law, Education, and Democracy." The second Hubbard Conference will be held at Stanford Law School in March, 2024 and will feature California Supreme Court Associate Justice, Goodwin Liu, as the keynote speaker.

#### *Ruth Bader Ginsburg Endowed Fund for Research in Civil Rights & Gender Equality*

Sixty-seven individuals and three organizations have provided support totaling \$302,000 for the Ruth Bader Ginsburg Endowed Fund for Research in Civil Rights & Gender Equality. The ABF has hosted three events to celebrate and publicize the RBG Fund: Chicago, (October, 2021), Washington, D.C. (July, 2022), and Los Angeles (January, 2023). All events were well attended – at or near capacity – and for each event, ticket sales and sponsorships covered or slightly exceeded expenses.

Planning will begin soon for a fourth RBG Fund Reception, likely in New York, and including highlights of the research that the Fund makes possible.

These two special endowed funds have attracted support from individuals who are not Fellows and from institutions that had never before supported the ABF, illustrating our success in our efforts to expand the profile of the ABF beyond our inner circle of constituents.

#### *Legacy Society*

The ABF's Legacy Society honors and recognizes those who have committed to enabling the ABF to further its mission through their estate plans or other deferred gift vehicles. Currently, the Legacy Society has 38 members. We recently established a professional advisory service for our Legacy Society members who seek assistance but either 1) have not retained their own legal



counsel to advise them on gift planning; or 2) would like to have a second set of eyes review their plan. Five ABF Fellows, who are also Fellows of the American College of Trust & Estate Counsel (ACTEC), have agreed to serve on the Planned Giving Professional Council.

### **ABF Endowment**

The ABF currently has its own academic endowment, similar to the ABE's Legal Legacy Fund. Although we have historically maintained an aggressive spending policy from this endowment, in recent years we have adopted a new spending policy to scale back the draw on our endowment and thus preserve the long-term integrity of the endowment.

### **ABF Alumni Association**

A strategy has been developed and planning is underway to launch an ABF Alumni Association during the current fiscal year. The purpose is to recognize and maintain connections with the hundreds of scholars who have passed through the ABF, many of whom can credit the ABF with launching highly successful careers. This will include Research Professors, Doctoral and Post-Doctoral Fellows, Summer Undergraduate Research Fellows, Affiliated Scholars, Executive Directors, and more. In addition to inspiring engagement with the ABF, building community, and elevating the ABF's profile, with time the Alumni Association is expected to be a source of contributed revenue for the ABF. Director Mark Suchman announced the Alumni Association at the ABF Doctoral Fellows Alumni Conference in September, 2023, and the idea was received with enthusiasm.

While we hope that the ABE will always remain our primary source of unrestricted funding, we understand that we must continue to solidify our financial future by enhancing our development efforts and diversifying our revenue sources. The examples above illustrate our efforts to do so.

## Acknowledging ABE Support for ABF Research and Programming

None of our ABF achievements would be possible without the assistance of the American Bar Endowment. To recognize your generous annual grant, we acknowledge the ABE's support in several ways.

First, our current ABF Communications Policy specifies that we list the ABE as our primary funder on all formal ABF communications, including press releases which are generated and circulated to media and a broad audience of ABF stakeholders among the practicing bar, bench, and the academy. All press releases, containing our acknowledgement of ABE funding, can be found within the [Press Release](#) section of the ABF website. Here are a few recent examples:

- [Five-Year Update to “A Portrait of Asian Americans in the Law” Explores the Legal Careers of Asian Americans in the U.S. Amidst a Rise in Anti-Asian Hate](#) (Dec. 5, 2022)
- [Mark Suchman Appointed Executive Director of the American Bar Foundation](#) (Jan. 31, 2023)
- [ABF's Black History Month Research Collection](#) (Feb. 2, 2023)
- [ABF Scholars to Present Research at the Law and Society Association Annual Meeting](#) (May 3, 2023)
- [The ABF Receives Annual Grant of Nearly \\$3.7 Million from the American Bar Endowment for 2023-24 Fiscal Year](#) (Sept. 27, 2023)

Second, we communicate ABE support for our research and programming through our ABF Fellows network. Our quarterly Fellows newsletters and State Chair updates, for instance, contain an acknowledgement of the ABE's support for ABF research. We continue to work closely with the ABE Communications Team to notify ABF Fellows in states where organizations have received ABE Opportunity Grants.

Third, we use our website and broad social media channels to regularly communicate ABE support. The [About page of the ABF website](#) contains an acknowledgement of ABE support and a direct link to the ABE website. Our [ABF Twitter](#), [ABF Facebook](#), [ABF LinkedIn](#), and [ABF Instagram](#) regularly communicate the ABF's research and programming, as well as acknowledging the generous annual ABE grant.

Finally, we consistently encourage our ABF researchers to recognize ABE support in their research presentations and publications. For example, Robert L. Nelson, Ronit Dinovitzer, Bryant Garth, Joyce Sterling, David B. Wilkins, Meghan Dawe, and Ethan Michelson's book, [The Making of Lawyers' Careers: Inequality and Opportunity in the American Legal Profession](#), contains formal thanks for the ABE's support in the Acknowledgement section. Similarly, during the opening remarks of our many ABF virtual research presentations, our director and others regularly acknowledge ABE support.

January 4, 2024

Howard Vogel  
President  
American Bar Endowment  
321 North Clark Street  
Chicago, IL 60654

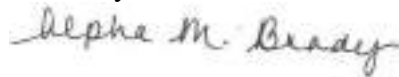
Dear Howard,

On behalf of the American Bar Association, please accept our thanks to the American Bar Endowment (ABE) for its longstanding partnership in our pursuit for a more just society. ABE's investment provides vital funding needed to develop and expand direct legal services, client-centered attorney training, and efforts to diversify the legal profession. To further our collaboration, I respectfully submit the enclosed application on behalf of the American Bar Association Fund for Justice and Education (FJE) requesting an unrestricted grant of \$3,700,000 to support ABA public service programs in FY2025.

As you know, access to justice is a fundamental right yet many individuals, especially those from disadvantaged backgrounds, are unable to receive the legal services they need to live a safe, secure life. The continuing support of the ABE in the current bar year is helping the ABA improve the justice system, protect civil rights in our communities, and transform lives.

Thank you for the thoughtful consideration of this request and award of the largest contribution the ABE and its board deem appropriate. Please do not hesitate to contact FJE Director Lea Snipes (312-988-5413) or me regarding this application. We appreciate the support of the ABE and look forward to continuing our mutual efforts to ensure equal justice for all.

Sincerely,



Alpha M. Brady  
Executive Director

American Bar Endowment  
Grant Application

Instructions

Please complete and sign the following form and submit requested documents. You can e-mail your completed application, including listed attachments to Dana Sturtz Hill at [dhill@abenet.org](mailto:dhill@abenet.org) and cc to Izzy Eisen at [ieisen@abenet.org](mailto:ieisen@abenet.org). If you have any questions, please contact Izzy Eisen at 312/988-6402 or [ieisen@abenet.org](mailto:ieisen@abenet.org).

Applicant Organizational Information

Applicant name (including any assumed business name(s) used): American Bar Association Fund for Justice and Education

The amount requested from the ABE: \$3.7 Million

Frequency of payments: Quarterly

Payment to start: September 1, 2024

Principal Contact for this Grant Application

Name: Lea Snipes

Title: Director

Email address: [Lea.Snipes@americanbar.org](mailto:Lea.Snipes@americanbar.org)

Phone: 312-988-5413

Street Address: 321 N. Clark Street

City: Chicago State: IL Zip: 60654

The applicant is recognized by the United States Internal Revenue Service as an organization described in section 501(c)(3) of the Internal Revenue Code and in the following category (check the appropriate box):

- Sections 509(a)(1) and 170(b)(1)(A)(vi)
- Sections 509 (a) (1), other than Section 170(b)(1)(A)(vi)
- Sections 509(a)(2)
- Sections 509 (a)(3)
- Sections 509(a)(4)

Applicant EIN: 36-6110299

**Link to the organization's most recent 990 filing:** Available at [www.americanbar.org/fje](http://www.americanbar.org/fje)

Please submit the following documents as part of a complete proposal.

- Application cover letter addressed to the ABE president.
- Proposal Narrative, answering these questions:
  - Description of the planned new projects for FY 2025
  - Summary of impact of the projects funded by the ABE in FY 23 and to date in the current fiscal year.
  - Summary of current and planned fundraising efforts.
  - Summary of how the applicant will publicly recognize the ABE grant.
- Most recent IRS determination letter.
- Most recent audited financial statement.
- Financial report of actual expenses and revenue from the most recently completed fiscal year.
- Proposed organizational budget of expenses and revenue for the year for which funds are requested. The budget should contain a column indicating which expenses ABE funds will support.
- List of organization's Board of Directors** with names and affiliations.
- List of publications from the most recently completed fiscal year.

By signing this application, the applicant certifies the following:

1. To the best of the knowledge of the Applicant's officers and directors/trustees, no proposal, threat or suggestion by the Internal Revenue Service has been made concerning the Applicant's 501(c)(3) status.
2. The funds received from the ABE will not be used to lobby or otherwise attempt to influence legislation or to conduct any activities described in Sections 4945(d) and (e) of the United States Internal Revenue Code. ABE funds will not be used to conduct voter registration drives or activities or to support or oppose any candidate for elected public office.
3. The funds received from the ABE will only be used to support programs and activities deemed charitable under Section 501(c)(3) of the United States Internal Revenue Code.
4. The Applicant does not discriminate in conducting affairs against any person on the basis of race, color, national origin/ancestry, religion, sex, sexual orientation, gender identity or expression, age, physical and mental disability, marital status, military or veteran status, or any other basis protected by federal, state or local law, ordinance, or regulation.

5. The application is signed by an authorized Board officer or senior staff person (Executive Director or Chief Financial Officer).
6. The Applicant will advise the American Bar Endowment of any change in these certifications while the application is being considered and during the grant period.
7. ABE funds will be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules, and executive orders, including but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224.



1/4/2024

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**Grantee Signature (scanned signature is acceptable)**

**Date**

Lea Snipes

Director

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**Print Name**

**Title**

Email address: [Lea.Snipes@americanbar.org](mailto:Lea.Snipes@americanbar.org)

Phone: 312-988-5413

## American Bar Endowment **ABA Fund for Justice and Education** **Grant Application**

In the pursuit of justice, there exists a solemn responsibility to ensure that its scales remain balanced, its reach ever expansive, and its embrace inclusive. It is with a sense of purpose and dedication that the American Bar Association Fund for Justice and Education (FJE) respectfully requests unrestricted funding of \$3,700,000 from the American Bar Endowment (ABE).

As in the past, this amount was determined with guidance from the ABE and in coordination with the American Bar Foundation. Should additional funding become available, an increased ABE contribution will further expand the ABA's programmatic capabilities in FY2025. Consistent with historical use of the ABE's grant, no ABE funds will support FJE operational costs or ABA 501(c)(6) administrative costs.

As the national voice of the legal profession, the ABA remains committed to the pursuit of fairness and equity for all. With the ABE's generous partnership, the ABA tirelessly pursues access to justice for those whose voices have been muted, whose rights have been overlooked, and whose lives have been marked by discrimination.

The legal system, like any institution, must be ever evolving and respond to the dynamic challenges faced by our communities. Unrestricted funding provides the flexibility and adaptability needed to navigate the nuanced landscapes of systemic challenges and to craft solutions that address the unique needs of the individuals served. A renewed contribution will be a significant component of the ABA's efforts to continue to weave a more inclusive fabric of justice. This narrative illustrates the wide array of activities the ABE's grant supports and highlights some of the ways the ABA spotlight its generosity.

### **IMPACT: FY2023 ACHIEVEMENTS**

Access to legal services is not merely an altruistic endeavor but a pragmatic investment in the betterment of society. As we assist the vulnerable and marginalized, we build bridges of understanding, solidarity, and justice. The following are accomplishments of ABE-supported programs that contribute to the creation of a society where justice is not a privilege but an enduring promise for every citizen.

#### **Projects and Entities**

##### ABA Center on Children and the Law

The STOP (Stop Overreporting Our People): Racial Bias in Medical Reporting to Child Welfare initiative, funded by the W.K. Kellogg Foundation, addresses bias and racism in medical reporting of Black and Indigenous families to the child welfare system. STOP, a program of the

Center on Children and the Law, aims to mitigate bias-based overreporting by healthcare professionals through a layered, multisystem intervention. STOP began intervention development in 2023. An interdisciplinary National Advisory Board (NAB), which includes representatives from medical schools, medical practitioners, judges and attorneys, child welfare, race equity, public health, and people with lived experience, has met quarterly since March 2023. Project focus groups and a Root Cause Analysis revealed significant themes, including the need for cross-system collaboration, a need for greater knowledge of the entire mandated reporting process and history, how systems define harm and at what point harm first occurs in the process, how family integrity within Black and Indigenous communities is valued, and how to change the narrative around these issues. STOP then formed three Intervention Design Teams – Child Welfare, Legal and Judicial, and Medical and Medical School – composed of NAB members and additional invited stakeholders. These design teams have met monthly to develop the interventions that will be implemented in selected pilot sites.

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*More than half of all Black children in America will experience a child welfare investigation by age 18.*

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The Center leveraged this national work to win a new five-year federal award from the U.S. Dept. of Health and Human Services Children’s Bureau to support the development, implementation, and evaluation of field-initiated approaches to addressing racial bias and inequity in child welfare and improve the safety, stability, and well-being of families in traditionally underserved communities. It identified two sites, Detroit and Ann Arbor, MI, where the Center is partnering with the child welfare agency to pilot STOP interventions.

Center attorneys will work with the state of Michigan’s child welfare agency on the Michigan Stop Reporting Our People (MI STOP) effort. Modeled on the Center’s STOP project, MI STOP will address each decision point from the time a medical provider has a concern of maltreatment to the decision of the judicial officer to remove the child from the home. It also addresses the structural racism of how Black, Indigenous, and Latino/a parents are viewed in the healthcare, child welfare, and legal systems and the lack of value placed on family integrity.

With America’s history of using laws to enforce racial discrimination, legal professionals have a responsibility to challenge anti-Black racism in the justice system. One of the most complex and wide-reaching legal systems in the country is the child welfare system. The Center sponsored [Resolution 606](#) at the August 2022 Annual Meeting, calling on all legal professionals to recognize how over-surveillance of and underinvestment in Black families has shaped the child welfare field for centuries. The Resolution urges the legal community to engage in eliminating systemic anti-Black racism that continues to impact Black families who come into contact with the system. It encourages judges, attorneys, legislators, and other legal professionals to challenge present-day laws that have devalued Black families and resulted in the separation of Black parents from their children through the child welfare system.

Understanding this history is imperative to advocating appropriately for clients. The passing of the Resolution charted the course for the ABA to encourage courts and judges to use this policy when helping to create relevant court rules, policies, and procedures.



## ABA Commission on Sexual Orientation and Gender Identity

At the 2023 ABA Annual Meeting, the ABA House of Delegates passed Resolution 605. This resolution is the culmination of four years of Commission on Sexual Orientation and Gender Identity (SOGI) efforts to bring awareness to and understanding of the issues surrounding the matter known as the Troubled Teen Industry. Resolution 605 calls for the ABA to support the Stop Institutional Child Abuse Act (SICCA) and/or similar state and federal legislation. This federal legislation aims to study and prevent child abuse in youth residential programs, and supports the adoption of state, local, territorial, and tribal legislation that facilitate uniform standards for preventing child abuse in residential facilities.

The Troubled Teen Industry is a term used to refer to a broad range of youth residential programs aimed at struggling teenagers. The term encompasses facilities and programs, including youth residential treatment centers, wilderness programs, boot camps, and therapeutic boarding schools. These programs claim to rehabilitate and teach troubled teenagers through various practices. Troubled teen facilities are run privately, and the Troubled Teen Industry constitutes a multi-billion-dollar industry. Historically these programs have seen a disproportionately high number of LGBTQ+ identifying teens.

SOGI's [Troubled Teen Industry Project](#) commenced in the Fall of 2021 when it began convening a working group of lawyers, state legislators, academics, survivors, parents, and more to determine the best way that the ABA could address this issue. Work then shifted to a three-part webinar series and then to supporting improved legislation. SOGI plans to continue its educational programming in the winter/spring of 2024 with another three-part webinar series.

Watch [Resolution 605](#) be presented on the ABA House of Delegates floor. Caroline Cole (pictured below) describes her 28-month traumatic ordeal as a 14-year-old struggling to sustain her own mental health and physical safety in an unlicensed, lockdown residential facility.



## ABA Litigation's Children's Rights Committee

The 2022-2023 bar year marked the 30<sup>th</sup> anniversary of the founding of the Children's Rights Litigation Committee (CRLC). The Litigation Section established the CRLC with a mission to ensure access to justice for children and youth when their fundamental rights are at stake and of ensuring that the lawyers representing children and youth are well-trained and supported. Often

working in collaboration with the Commission on Homelessness and Poverty and the Center for Children and the Law, the CRLC focuses on that mission in a number of ways including providing innovative and practical tools for children’s litigators as well as in-person and virtual training seminars.

Seven years ago, Gabriella McDonald, the Deputy Director of Texas Applesed in Austin, TX, connected with the Children’s Rights Litigation Committee through her work on youth homelessness. Now one of its co-chairs, she views inspiring children’s lawyers as one of the committee’s crucial responsibilities.

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*“The goal is to make sure children’s lawyers ‘have everything they need to be good lawyers.’” As an arm of the ABA, it’s really important for us to get people thinking about doing that type of law and what it really takes,” McDonald says. “We’re also looking at how we can support people who are already doing it and making sure they have everything they need to be good lawyers.”*

– Gabriella McDonald, Deputy Director of Texas Applesed

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In 2023 CRLC published [\*Sibling Relationships are Sacred: The Benefits of Sibling Placement and Contact\*](#), which compiles social science research on the benefits of children and youth being placed with their siblings when they have been removed by the state from their parents’ custody, so that this research can be used by lawyers in their trial and appellate advocacy. So far, this toolkit has received more than seven hundred views. The toolkit joins several others including one focused on the [\*Trauma Caused by Separation of Children from Parents\*](#) which was posted in 2019 and has more than 28,000 views.

On September 13, 2023, the CLRC, together with the Commission on Homelessness and Poverty, the Center on Children and the Law, and outside partners, held a collaborative summit entitled “Staying Housed, Staying Together: Housing Resources for Families Involved in the Child Welfare System.” Held in Chicago, IL, the event was hosted by DLA Piper and gathered over seventy attendees. The convening featured current statistics and reports from local stakeholders and discussed existing programs and ways to expand or enhance existing programs to prevent housing instability from being a reason for child welfare involvement and family separation. The groups will be meeting again in January 2024 to discuss next steps involving the creating and dissemination of a national toolkit.

### ABA Section of Civic Rights and Social Justice

In March the Section of Civil Rights and Social Justice held its Economic Justice Summit virtually and in-person at the Georgetown University Law Center. The two-day Summit convened lawyers, activists, policymakers, and key stakeholders to formulate policy solutions to our country’s most critical economic disparities and devise strategies to implement policy solutions. Topics included environmental justice, redlining and the housing crisis, debt collection policy development, and the role of lawyers in guaranteed income programs. The Summit

wrapped up with a panel on lessons learned and what lawyers, advocates, students, and anyone interested in making an impact on economic justice can do to help.

## **Publications**

### *Legal Careers of Parents and Child Caregivers – ABA Commission on Women in the Profession*

In October 2023, the Commission released a new research report, [\*Legal Careers of Parents and Child Caregivers: Results and Best Practices from a National Study of the Legal Profession\*](#), that sheds light on how parenting impacts the legal careers of mothers and fathers. The report, based on survey responses from more than 8,000 lawyers nationwide in various work settings (including in-house) and a dozen focus group interviews, reveals that many parents feel having children had a negative impact on their careers. In addition, more than half of working mothers felt that their employers perceived them less committed and less competent than childless colleagues. The data revealed that this is not just a law firm problem but a legal profession problem that is impacting caregivers of children in all work settings.

Among the findings:

- Women are overwhelmingly responsible for what is happening at home, from arranging childcare (65% of mothers vs. 7% of fathers) and scheduling doctor appointments (71% of mothers vs. 9% of fathers) to helping with homework (41% of mothers vs. 12% of fathers).
- Women who are single and caregivers of dependent children experience more disadvantages than any other cohort, no matter what sector of the legal industry they work in.
- A much higher percentage of mothers compared to fathers experience demeaning comments about being a working parent (61% of mothers vs. 26% of fathers in law firms; 60% of mothers vs. 30% of fathers in other settings).

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*“As a dual big law couple, when we went through the infancy phase for our children, the treatment of my husband vs. myself was marked, despite me being an even more senior associate than he. He was expected to work harder and was denied a request to work part time, while I was cut out of demanding assignments that I wanted and expected to go part-time. I constantly had to fight bias to signal I was not part-time and wanted assignments requiring travel for trial.”*

– Asian American law firm attorney and mother of young children.

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### *Leveraging Grit and Growth Mindset to Drive Team Success – ABA Commission on Women in the Profession*

The 2023 [Gritty Teams Report](#) builds upon the original Grit and Growth Mindset research (2015). The Report focuses on steps that team leaders and members can take to increase a gritty, growth mindset. *Grit* is the perseverance and passion for achieving long-term goals, while a *growth mindset* is defined as the belief that talent can be developed through dedication and hard work, and that perseverance, persistence, and effort will pay off.



Research has shown that team experiences greatly influence job satisfaction, and adopting gritty and growth mindset-oriented behaviors on teams can reduce the number of negative experiences and increase team experiences. Given the challenges posed by the Great Resignation, where women lawyers left jobs in droves, the Commission is confident that this report will be quite educational and valuable.

## **ACTION: FY2024 FUNDS AT WORK**

A democracy's true strength is not merely measured by the potency of its institutions but by the inclusivity it affords to every individual. With the ABE's grant, ABA programs better ensure that the rights of the minority – be they in matters of race, religion, socioeconomic status, or ideology – are not overshadowed by the will of the majority.

### **Projects and Entities**

#### ABA Task Force for American Democracy

There is an alarming trend in the United States and globally of an increasing pressure by autocratic forces to replace accepted notions of the rule of law as well as the democratic process of elections. A growing number of adults and young Americans do not believe that a democratic form of government is necessary or even crucial to their lives and well-being, placing our democracy in great peril. The principles and ideals of democracy, which led to the founding of the United States, have come under unprecedented attack, and now threaten our democracy's very existence.

The Task Force on American Democracy has identified four main areas of focus:

- Educating our citizenry on civics and the importance of an inclusive, strong, and enduring democracy and working to develop a passion for democracy in the public.
- Protecting the independence, integrity, and safety of election administrators and workers and ensuring the administration of elections remains non-partisan.
- Maximizing voter confidence, trust, and participation in our elections and democratic processes.

- Exploring potential innovations and solutions addressing the current key challenges to the underpinnings of our democracy.

These focus areas will guide the ABA’s engagement with lawyers, law students, the judiciary, and local communities. This work will be conducted through listening tours held around the U.S., the formation of both national and local rapid response teams, the development of proposed policies to address the key current challenges to our democracy, and strategic communication with the American people about our democracy and its value to them, as well as the development of “working papers” drafted by well-known experts that both inform and guide the foregoing. Collectively, these efforts will support and bolster public confidence in the integrity of our election systems, which in turn will increase opportunities for meaningful participation in our democratic systems.

The goal is to drive a better understanding and a sense of ownership of American democracy into everyday life, as well as to promote the rule of law and the sanctity of elections to ensure American democracy for generations to come.

#### ABA Commission on Domestic and Sexual Violence

Because gender-based violence (GBV) affects all communities, the Commission on Domestic and Sexual Violence developed a Fellowship in 2023 to promote diversity among legal professionals working with survivors. The Commission is eager to identify students with a demonstrated interest in bringing to their work the critical perspective that comes from a nontraditional educational background and/or understanding of the experiences of members of groups historically underrepresented in the legal profession. Each year up to five law students who demonstrate their commitment to a career in GBV will receive \$5,000 for a summer internship focused on gender-based violence work. They will be paired with at least one professional mentor to support their career advancement, will have their costs covered for travel to and participation in ABA Midyear and Annual Meetings, and will be welcomed to participate during Commission meetings and trainings.

#### ABA Commission on Lawyer Assistance Programs

Lawyers influence our society like no other profession. They are leaders in business, government, and community who often shape policy and guide decision-making at many levels. With this responsibility to clients and communities, attorneys experience mental health and substance abuse disorders at a higher rate than other professional populations.

The Commission on Lawyer Assistance Programs (CoLAP) advances personal well-being in the legal profession and ensures that every judge, lawyer, and law student has access to support services when confronting alcoholism, substance use disorders, or mental health issues so that they are able to recover, families are preserved, and clients and other members of the public are protected. This mission is carried out by supporting the work of state and local Lawyer Assistance Programs as they provide hands-on services and support to those in need of their assistance.

In collaboration with the Hazelden Betty Ford Foundation, the CoLAP conducted national research on lawyer impairment. The findings led to the launch of the ABA Well-Being Campaign to improve the substance use and mental health landscape of the legal profession. The primary vehicle for the Campaign is a Pledge calling upon legal employers (including the judiciary, law firms, law schools, corporate entities, government agencies, and legal aid organizations) to: (a) recognize that substance use and mental health problems represent a significant challenge for the legal profession and acknowledge that more can and should be done to improve the health and well-being of those in the legal community (including judges, lawyers, staff, and students); and (b) support and prioritize the Pledge's seven-point framework for building a better future.

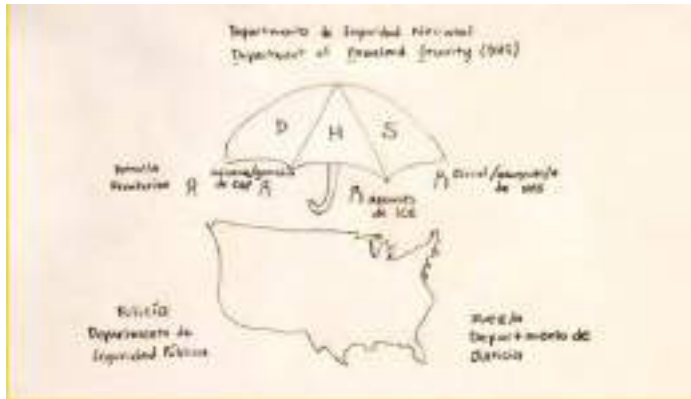
On November 9, 2023, the CoLAP's Well-Being Committee hosted a workshop celebrating the 5<sup>th</sup> anniversary of the Pledge, in which signatories commit to the seven-point framework in the push for mental health and well-being in the legal profession. While past workshops have been offered exclusively to Pledge signatories, the November 9<sup>th</sup> workshops were open to those interested in joining the Pledge as well. The Commission is planning its Spring workshop for April/May 2024. The virtual sessions are hosted on Zoom webinars and are always free of charge to attendees.

### ABA Commission on Immigration

The Commission on Immigration (COI) and its South Texas Pro Bono Asylum Representation Project (ProBAR) will collaborate with an innovative initiative to assist migrants paroled into the U.S. at the Texas border to immediately apply for an employment authorization document, helping them become self-sufficient at an earlier stage in their proceedings. COI will also collaborate with the United Nations High Commissioner for Refugees (UNHCR) to provide immigration legal information and technical support to detained migrants throughout the United States. This partnership will result in more efficient use of resources and enhanced collaboration between the ABA and the UNHCR on issues of common concern.

COI also recently updated its [Border Primer](#), a seminal resource for those who want to understand the enforcement mechanisms used by the Department of Homeland Security at the U.S./Mexico border. COI will continue to revise the *Primer* and companion [programming](#) as immigration regulations and procedures change.

Throughout 2023, COI's Children's Immigration Law Academy (CILA) expanded its Texas-based training and technical assistance to provide services nationwide. CILA updated the [website](#) that houses all its online resources and updated its pro bono guide and dozens of videotaped trainings and webinars. CILA expanded the number of organizations that post cases on its online pro bono platform "[Pro Bono Matters for Children Facing Deportation](#)." It also recently updated the [CILA Pro Bono Guide](#) to incorporate many of the latest changes in immigration law affecting children. In October 2023, CILA launched a new, free [membership model](#) for its website, allowing advocates to choose a membership option and gain access to more CILA resources, including a dashboard tailored to their practice needs.



*Drawing pictures can be a powerful communication tool when explaining concepts to children.*

In 2023 the federal government ended the Title 42 policy that allowed border patrol agents to expel migrants seeking asylum in the name of public health. It then rolled out a new, restrictive asylum policy. As part of the new process, the Department of Homeland Security (DHS) stopped bringing Spanish-speaking adults from the southern border into the United States to interview them about their credible fear of returning to their home country. Instead, DHS used Customs and Border Protection’s (CBP) “soft-sided detention facilities” (i.e. tents) to hold these sensitive and legally critical interviews with asylum officers by phone. COI’s Immigration Justice Project (IJP) began fielding phone calls from immigrant detainees in the San Diego area.



Detainees have only 24 hours to consult with an attorney before the interviews take place. They are not allowed to meet with an attorney in-person or via video and are limited to attempting to contact one via the facilities’ phone booths. IJP

learned that asylum-seekers were not receiving adequate access to the phone booths to call attorneys, that the number of attorneys available to take calls were exceedingly rare and CBP’s attempts to provide notice of the detainees’ right to consult with counsel were not being received. Suddenly, the calls from San Diego stopped and never restarted. Based on IJP’s experiences, the Commission on Immigration sent a letter to the DHS Secretary expressing its concerns about the practice of credible fear interviews in CBP custody. COI and IJP are now in direct communication with CBP to improve access to counsel.

## **Publications**

*Excluded & Alone: Examining the Experiences of Native American Women in the Law and a Path Towards Equity* – ABA Commission on Women in the Profession

The Commission on Women in the Profession, in collaboration with the National Native American Bar Association (NNABA), published [Excluded & Alone: Examining the Experiences of Native American Women in the Law and a Path Towards Equity](#). The qualitative research

study explores the experiences of Native American women lawyers as they navigate the intersection of race and gender in the legal profession.



For the study, seventy-four Native American women lawyers were randomly chosen for interviews or to participate in group sessions out of an initial pool of 154 registrants. They shared personal stories about their journeys into and within the legal profession, including that they often felt isolated and alone among their peers, and sometimes endured painful incidents of harassment.

The report includes a detailed Call to Action for legal professionals developed by the study's Firekeepers Circle, which served as an advisory board, made up of representatives from both the ABA and NNABA. The Call to Action includes potential activities for individuals, law schools, bar associations and policy advocates, employers, and philanthropic organizations, including efforts to learn about Native American women's experiences, needs, and challenges; commit to sustained allyship and be an advocate; and take deliberate and tangible supportive action. The report also includes an abbreviated history of important dates in the development of Indian law and policy regarding Native American women and families.

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*"There are still too many places in which we await the first Native chairperson, board member, director, and president. But we are beginning to see the second generation of leaders. We now have five Native American federal court judges, when just a few years ago we celebrated the first."*

-- Mary Smith - Enrolled Citizen, Cherokee Nation  
2023-2024 President, American Bar Association

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### Model State Statutes: Youth and Young Adult Homelessness – ABA Commission on Homelessness and Poverty

The Commission on Homelessness and Poverty published the second edition of its [\*Model State Statutes: Youth and Young Adult Homelessness\*](#) (*Model State Statutes*). This publication is critical in guiding state and local level advocacy to ensure that laws meet the needs of youth and young adults experiencing homelessness. *Model State Statutes* is a free resource for lawyers, legislators, and all advocates for youth justice, including youth themselves, teachers, service providers, friends, family, and more.

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*The average unhoused young person spends nearly two years living on the street.*

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The Commission engaged state and national youth advocates to collaboratively revise the publication's first edition based upon significant updates in the practice of serving youth



experiencing homelessness. Deliberately working through a race equity lens, the partners analyzed the first edition to determine the applicability of multiple models to the on-the-ground experiences of youth, the intersectionality of systems interfacing with youth, and the specific needs of the most vulnerable subpopulations of youth. They identified topics to expand upon in the new edition including the intersection between homelessness and race, gender, and sexual identity. There were also new models to include such as host home and direct cash transfers programs.

The Commission is promoting the book in communities across the country through webinars, programs, and roundtable conversations about law and policy barriers youth are facing and how to overcome those barriers using the new publication as a guide.

*Defense Against Guardianship: A Lawyer's Guide to Representing Individuals in Guardianship Cases – ABA Commission on Law and Aging*

Over the last decade or so, courts have seen a huge increase in active defense of individuals responding to a petition for adult guardianship or conservatorship. The lawyers in these cases are often pioneers with few resources or role models. Yet as the experience of Clark County, NV, has shown, a meaningful defense results in more than one third of all cases reach resolution without the appointment of a guardian. Two years ago, a search for a book on how to develop and present a case defending against guardianship found nothing, so the Commission on Law and Aging decided to create one.

Most adults with diminished or limited capacity are supported and cared for by family and friends, without the need for guardianship. Reviewing alternatives is an essential part of every defense effort. Many of these cases can be resolved using alternatives and protect the rights of the adult and avoid government involvement. This book contains numerous ideas and strategies to minimize the use of guardianship. Several sections discuss alternatives to guardianship that ensure that health care decisions are made, money is managed, and personal care is provided.

Furthermore, there are significant concerns about the due process protections in many guardianship cases. The defense attorney is the protector of their clients' right to notice, to be heard, and to confront witnesses, ensuring compliance with the rules of evidence, and burden of proof – all of which are explained in the book. When a trial or hearing is called for, the defense needs to ensure that their client's needs are accommodated and that their client can participate if they wish to do so. Defense strategies range from the client having capacity, to alternatives meeting the needs of the client, to there being no need or legal reason to restrict the rights of the defendant.

## **VISION: FY2025 ASPIRATIONS**

The future needs of society demand a legal profession that is not only responsive to the immediate issues of those in need but is also proactive in shaping a more inclusive and equitable legal system. The ABE grant embraces innovation and collaboration, so the legal profession can foster a future where justice is a fundamental right for every member of society.

## Projects and Entities

### ABA Free Legal Answers

ABA Free Legal Answers (FLA) remains an effective resource for lower-income people needing legal advice. With forty-three states and territories participating, including a nationally available federal portal, the ABA continues its efforts to involve all fifty states. Based on present trends, FLA anticipates reaching 450,000 civil legal questions submitted and responded to by the end of FY2025. FLA also expects to reach 16,000 attorneys registered to provide free legal advice and information to site users during this same period.

Since FLA was created in 2016, external website developers have provided no-cost maintenance for the FLA platform. In FY2025, the developers will fundamentally upgrade the site to provide a better, more accessible user experience. As a result of this expanded and improved service, more low-income individuals from across the country, particularly rural areas, will have access to quality civil legal advice and information that they otherwise cannot afford.

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*“I was empowered to directly communicate and ask for specific resolutions. The other party immediately stopped their illegitimate harassment... I can easily imagine other elderly individuals like me, fearful of losing their only available independent apartment, would simply give any monies quoted to prevent homelessness. Thank you very much for stopping elder exploitation.”*

– ABA Free Legal Answers Client, Texas

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### ABA Legal Opportunity Scholarship Fund

For nearly twenty-five years, the Legal Opportunity Scholarship Fund (LOSF) has granted up to twenty incoming diverse law students with \$15,000 of financial assistance over the course of their three years in law school. During his term as ABA President in 1999-2000, William G. Paul initiated the Scholarship to encourage racially and ethnically diverse students to apply to and attend law school. Since its inception, more than four hundred students from across the country have received the Scholarship. These exceptional recipients have overcome adversity, proven themselves through academic success and public service, and demonstrated the tenacity to excel within the profession.

Through a grant from AccessLex, this program for selecting and funding minority law students was reviewed by an external evaluator. Results show that the Scholarship continues to be meaningful. Nearly 70% of survey respondents felt that the award was extremely or very important to their decision to enroll and remain in law school. Nearly all respondents (90%) agreed that the Scholarship money allowed them to borrow less money for their education and 75% of respondents indicated that the Scholarship made it financially feasible for them to achieve their Juris Doctor.

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*“As a first-gen, low-income, Black student, the generous scholarships such as this one made law school not just a dream but an actual reality for me. The stress of finances was the hardest part of this journey. Law school is great at the University of Pennsylvania! I have worked on the Penn Housing Rights Project, creating workshops to inform local Philadelphians of their housing rights. I’m also involved with the Black Law Student Association and Penn Lambda, and I helped launch Penn’s newest in-house clinic, the Advocacy for Racial and Civil (ARC) Justice Clinic. Law school has been a great experience so far, though challenging in its ways. One thing I’m grateful for, again, is the support to not be as stressed with finances. It’s huge.”*

– Angel Reed, JD Candidate 2025

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### ABA Senior Lawyers Division

With the increase in the variety and number of scams, fraud, and financial exploitation targeted at seniors, such as COVID-19 fraud, bills for diabetes supplies, flimsy medical equipment, bogus genetic testing, hospice fraud, Medicaid “unwinding,” and next generation Medicare programs, there is a need to reach out to attorneys, their clients, and the elderly across the nation. The Elder Fraud Prevention & Detection Initiative intends to build upon what the ABA Senior Lawyers Division (SLD) is currently doing to provide attorneys with resources to assist clients who are victims via webinars, podcasts, resource links, brochures, posters, and telephone elder abuse reporting lines by state.

This FY2025 initiative will broaden SLD’s scope to include prevention of scams, fraud, and financial exploitation directly to local communities. The SLD will rely upon the Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) to bring important, timely information directly to our membership and to older Americans in our local communities.

- To help older adults spot, avoid, and report scams, the FTC collaborates with community groups, law enforcement, financial institutions, aging and consumer professionals, and hundreds of others to share fraud prevention material. This year, partner organizations ordered 2.1 million pieces of information from the FTC’s [Pass It On](#) campaign in English and Spanish. SLD will seek to partner with the FTC to encourage the public to remain vigilant and do not provide personal identifiable information (PII), such as a social security number, or money in response to these false claims. SLD will encourage its members and the elder community to report scam phone calls, emails, or messages to the [Federal Trade Commission](#).
- SLD may help to disseminate the CFPB’s resources about elder financial exploitation, Suspicious Activity Reports (SARs), age-friendly banking practices, and consumer education tools. Inserting the CFPB’s informative pieces into the SLD’s newsletters, blogs, email blasts, or social media will help support the ABA’s efforts to fight elder

financial exploitation. The CFPB's full toolkit can be found at [Age-friendly promotional toolkit | Consumer Financial Protection Bureau \(consumerfinance.gov\)](https://www.consumerfinance.gov/age-friendly-promotional-toolkit/)

The SLD is also actively pursuing a partnership with AmeriCorps Retired and Senior Volunteer Program (RSVP) nationwide to facilitate member engagement in this initiative.

### ABA Commission on Homelessness and Poverty

Thirty-five years ago, the ABA established the John (Jack) Curtin, Jr. Justice Endowment Fund (Endowment Fund) honoring former ABA President Jack Curtin (1990-91). In acknowledgment of his outstanding achievements, ABA colleagues of Mr. Curtin collected over \$100,000 within a year of his leaving office to establish the fund. Mr. Curtin's long-standing dedication to social justice and civil rights issues led the ABA Board of Governors to approve of the use of the funds to provide stipends for law students working to help homeless and indigent people.

The Curtin Justice Fund Legal Internship Program, supported by the Endowment Fund, is managed by the Commission on Homelessness and Poverty. The Program pays a \$3,500 stipend to each of three law students who spend the summer months working for a bar association or legal services program designed to prevent homelessness or assist homeless or indigent clients or their advocates. The Program provides much-needed legal assistance to organizations serving the under-represented and gives students direct experience in a public interest forum. In this way it aims to help homeless clients and to encourage careers in the law that further the goals of social justice.



The most recent recipient, Fernanda Palacios Herrera (pictured left), served as a Curtin Fellow with the Harvard Legal Aid Bureau in Cambridge, Massachusetts. She is now a Staff Attorney with *Al Otro Lado*, which provides legal and other services to immigrants and refugees in the U.S. and Tijuana, Mexico.

### ABA Task Force on Law and Artificial Intelligence (AI)

With every Artificial Intelligence (AI) related transformation comes complex and challenging legal and ethical questions for the legal profession. At a time when private and public sector organizations are moving rapidly to design, develop, deploy, and use AI systems and capabilities, it is critical for the ABA to make recommendations and articulate principles to help ensure that the creation and incorporation of AI is done in accordance with the law and well-accepted legal standards.

With the adoption of Resolution 604, which urged human oversight, accountability, and transparency for AI, the ABA House of Delegates took a significant step at the 2023 Midyear Meeting to address AI challenges. In its role as the national voice for the legal profession, the ABA must play a leadership role in helping to identify the benefits and risks of AI systems and capabilities. AI will require lawyers and judges to understand how AI works, how it is developed

and used, what advantages it can bring, the risks it can create, and the legal and ethical issues that will arise.

The Task Force on Law and Artificial Intelligence (AI) will provide practical information that lawyers need to stay abreast of and navigate this complex technology, insights on how AI can be developed and used in a trustworthy and responsible manner, and recommendations and reports on high-priority issues, such as:

- The practice of law
- Ethical issues: e.g., confidentiality, competence, unauthorized practice of law
- Courts and judicial systems
- Cybersecurity, Privacy, and Bias
- Accuracy, Reliability, and Safety Risks Caused by the Use of AI
- Intellectual property, unfair trade practices, and fraud
- Trustworthy and responsible AI, human oversight, accountability, and transparency
- Access to Justice
- AI Governance: Role of laws, regulations, industry standards, and best practices
- Role in creating and spreading disinformation

## **Publications**

### *Civil and Criminal Responses to Adult Abuse – ABA Commission on Law and Aging*

Research and writing are underway by the Commission on Law and Aging for its FY2025 book *Civil and Criminal Responses to Adult Abuse*. This handbook will provide practitioners with an overview of criminal and civil responses to adult abuse, including information about the different types of adult abuse and the services available to victims. It will also provide information about possible legal remedies available to victims of abuse, including civil and criminal restraining orders, and discuss the ethics of representing clients who have been a victim of abuse, neglect, or financial exploitation. The book will provide best practices and tips on how to draft legal documents that reduce the risk of abuse.

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### **The ABE's Philanthropy is Widely Recognized** *Generosity That Galvanizes the Legal Community*

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Since August 1878, the ABA has continued its commitment to build a legal and ethical foundation for the justice system and uphold the rule of law. In honor of the ABA's 145<sup>th</sup> anniversary, the FJE celebrated the accomplishments made possible since that fateful day in Saratoga Springs, New York.

Throughout the 2022-2023 bar year, FJE Impact and Donor Reports have acknowledged the transformative power of gifts and grants to prevent housing insecurity, expand civic education, improve outcomes for children in the child welfare system, and develop innovative solutions that improve the profession and make our communities stronger. Within these reports, we had the pleasure of recognizing the ABE as one of the FJE's most loyal and generous supporters.

The FJE Spring Impact Report spotlighted the ABE's grant of \$3.7 million next to three examples of accomplishments made possible over the years and how the ABA is building on that success into the future. Like other reports, this piece was distributed by mail and email to ABA members and donors and hosted on the FJE webpage throughout the year.



This year, the FJE redesigned the way it thanked its annual supporters by dedicating September as Donor Appreciation Month. Throughout that period, donors received exclusive discounts at Shop ABA and invitations to two webinars describing the impact of donor support on pro bono activities. In addition, the FJE released its first [Donor Gratitude Report](#) – a multi-page interactive digital piece that linked donor generosity with ways the ABA is changing people’s lives for the better. The ABE’s annual grant prominently appears on its own page.



***Ongoing Avenues for Recognition***

- The FJE’s website prominently highlights the ABE’s annual grant and drives visitors to learn more. The ABE’s support receives the same recognition on the ABA Center for Public Interest Law and the ABA Diversity and Inclusion Center webpages.



- Acknowledgement is also on the digital donor recognition board located on the 21st floor of ABA headquarters in Chicago.
- FJE Chair Orlando Lucero verbally thanked the ABE during the 2023 President’s Club reception which occurred during the ABA Annual Meeting in Denver.

***ABA Cross-Promotion Recognition***

The FJE continually strives to improve donor stewardship and explore new ways to recognize donors when gathered at the Midyear and Annual Meetings and during the FJE President’s Club Reception. For the past several years, the FJE has recognized the ABE, President’s Club donors (\$1,000+), and organizational supporters (\$10,000+) on signage in various locations throughout the meetings. Since the 2019 Midyear Meeting, the FJE began incorporating this recognition into the Meetings & Travel App used by registrants. The app includes information about the FJE and a link to our donor recognition page.

**Recognition Provided at the 2023 ABA Midyear Meeting**



**Recognition Provided at the 2023 ABA Annual Meeting**



**ABA Journal November/December 2023 Issue**



For the past several years, the FJE has worked with the *ABA Journal* to recognize our most generous supporters in their year-end publication. The two-page spread includes special recognition of the grant received from the ABE. The *ABA Journal* reaches more than 350,000 recipients and provides the ABE substantial national exposure.



**The ABE’s Historic Support Fully Utilized by Entities**  
*Impact Shared with the Legal Community*

The FJE is committed to informing the ABE, individual and institutional funders, ABA members, and the public about the far-reaching impact of ABA legal services. In FY2024, the FJE budgets nearly \$120 million to support this crucial activity. The ABE’s grant is an instrumental component of the FJE’s philanthropic portfolio, supporting the infrastructure and staff necessary to conduct programs and leverage other dollars.

With unrestricted funding, the ABE is providing the ultimate flexibility for the ABA to respond to unforeseen issues and be innovative in its approach. However, unrestricted does not mean unaccountable. When the ABE provides unrestricted support, it means it is investing in the entire scope of the ABA’s charitable work to support people and programs improving our communities:

- Swati Parikh, a 2004 ABA John Curtin Fellow, used her experience as a public interest housing intern to later become the Assistant Dean of the Office of Public Service and Pro Bono Initiatives at New York Law School.
- Amanda Alexander, a 2011 recipient of the ABA Legal Opportunity Scholarship, used her law degree to establish a nonprofit working to end incarceration and expand justice in Detroit.
- Cindy Bernal, a former ABA Pro Bono Asylum Representation Project client facing deportation, discovered the importance of free legal services and began a career helping other immigrants after receiving legal status.

Unrestricted giving is also about trust. The FJE is extremely appreciative that the ABE trusts us to use this grant wisely. As requested, the FJE spends each dollar received from the ABE on direct programmatic expenses, including staff who expertly conduct the programs and other direct costs associated with projects. ABE grant funds are not used to support indirect or FJE administrative costs. These, including costs associated with FJE office operations, are all covered by other sources of ABA revenue.

Our ability to invest ABE funds in programs provides the FJE the ability to leverage this support to raise significant outside dollars that amplify the impact of the ABE's grant. This is especially important as the philanthropic sector continues to feel the impact of the COVID-19 pandemic on charitable donations.

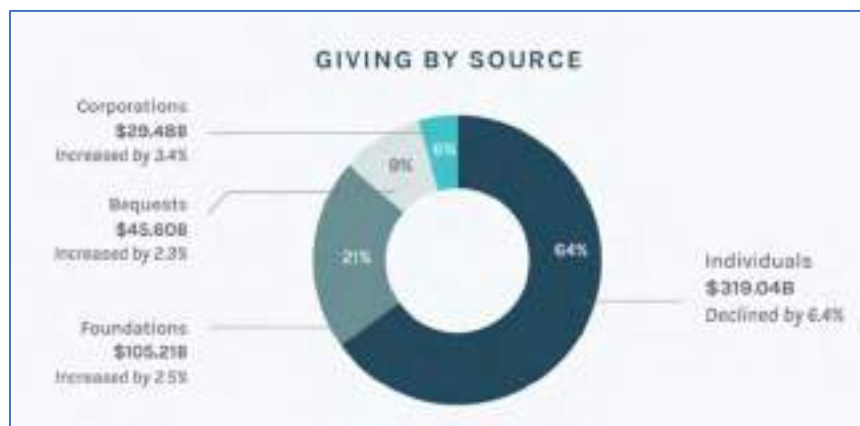
Since 2000, the Indiana University Lilly Family School of Philanthropy has issued an annual *Giving USA* report that offers insight on charitable giving across the United States. The research provides information from approximately fifty-three million households, nearly sixteen million corporations, and about 82,000 foundations. The findings often correlate with social justice issues, inflation, disasters, and other factors that affect philanthropy. The last two years were no exception. The pandemic and racial justice movements spurred record level giving over the past two years. Considering these historic levels, most evaluators expected a flattening of U.S. charitable giving.

According to the most recent report, individual giving decreased by 6.4%. When adjusted for inflation, that represents a decrease of 13.4%. However, the amount raised from individuals over a similar time period remained relatively flat. In addition, there was also a decline in the number of individual donors across the U.S. Again, the FJE was able to maintain its donor base year-over-year. Please note that these numbers do not include individual donors that contribute through the dues renewal process.

Direct Gifts	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
# of Ind. Donors	1,903	2,105	2,008	2,203	2,177
Total Amt Raised	\$1,085,000	\$858,000	\$1,047,000	\$1,145,000	\$1,161,000
# of New Donors	827	1,022	748	875	815
New Donor Gift Total	\$254,000	\$143,000	\$196,000	\$280,000	\$135,000

*The chart above denotes numbers as of August 31.*

Although *Giving USA* does not include information on funding from federal agencies, it does provide some perspective on where the FJE has room for growth. When examining giving by its source, national trends show that individuals contribute 64% of all charitable contributions. With an ABA member population stabilizing, if not increasing, this presents an opportunity for growth among members, lawyers, and the general public.



Setting the stage for this expanded growth, the FJE has undertaken new initiatives and amplified its outreach efforts to inspire additional support. This includes the implementation of a Strategic Plan, new member and donor outreach that highlights the work of the Association, and an expanded ABA Giving Day celebration.

### **Strategic Plan**

Working with the Center for Bar Leadership, the FJE embarked on reinstating a Strategic Plan to guide the next several years of its work. The FJE Council approved the final plan in June 2023 that was divided into the following three goals:

- **Build** the FJE’s capacity to serve as the fundraising arm of the American Bar Association.

- **Strengthen** the FJE’s marketing and messaging to advance the ABA’s charitable impact and motivate member giving.
- **Improve** the understanding among ABA leaders of the FJE’s role to encourage their support and participation in fundraising efforts.

The FJE Council then organized itself into three Working Groups and tasked each one with a goal. Some matters being prioritized include:

- Raising awareness of the ABA’s charitable programs among members, especially among leaders and younger lawyers;
- Evaluating the current donor recognition structure; and
- Improving the donor experience through communications and donation platforms.

### **New Donor and Member Outreach**

Education and communication are crucial factors in the FJE’s three main goals, which is why increasing our messaging is of utmost importance. The ABA’s good works are the best kept secret across the Association, and members are not able to donate to programs they are not familiar with.

In June, the FJE celebrated [National Immigrant Heritage Month](#) by sharing inspiring stories of lawyers, scholarship recipients, and clients served. Through personal narratives, donors and members gained a deeper understanding of the challenges that immigrants have overcome, the triumphs they have achieved, and the lasting impact they have made in the pursuit of justice. Each story served as a testament to the power of inclusion and the ABA’s ability to create a legal system that reflects the richness and strength of our entire society. This was the first instance of the FJE using an interactive digital format to captivate members.



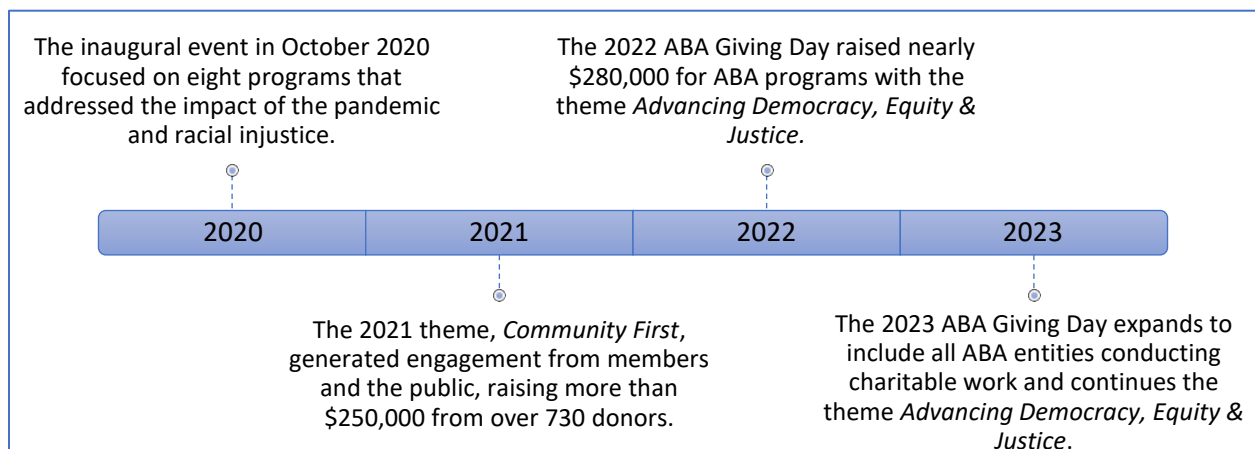
In September, the FJE launched its inaugural Donor Appreciation Month as another way to thank our donors for their generosity. This included a Donor Gratitude Report that not only thanked major donors but provided tangible examples of how their support changed lives. The FJE also offered an exclusive 40% discount at Shop ABA and ended the month with two informational webinars, one on the impactful work of ProBAR and the other featuring speakers from ABA pro bono projects including the Tax Law Pro Bono Fellowship, the Military Pro Bono Project, and ABA Free Legal Answers.

Moving beyond our standard donor audience, the FJE collaborated with Membership and Marketing to distribute [ABA Insider](#), a newsletter for Full Firm members. The newsletter reached internal ABA champions at each firm and provided information on ABA engagement opportunities, resources, and charitable activities. This different approach was undertaken on the premise that the newsletter would reach more members if shared internally by someone within the firm.

The FJE also proudly worked with the Diversity, Equity, and Inclusion Center to produce [ABA Empower](#), the first newsletter targeting Diversity Officers at major law firms. The goal of this outreach effort is to educate more people about the offerings available through the ABA. With a better awareness of our programs, more law firms may be inclined to charitably support the programs. The October edition was shared with key contacts at AmLaw200 firms and others within the ABA network.



## **ABA Giving Day**



The fourth annual ABA Giving Day took place on Thursday, October 26, under the theme *Advancing Democracy, Equity, and Justice*. As of December, preliminary numbers indicate that

over \$395,000 was raised, and additional direct mail donations continue to arrive. The fundraising goal for this year's event was \$350,000, a 25% increase from the 2022 event that raised nearly \$280,000. This 41% increase in revenue is attributed to the active involvement of the FJE Council serving as Ambassadors to the entities, as well as the increased number of programs participating.

For the first time, every ABA charitable entity was invited to participate in ABA Giving Day. With over fifty programs featured, the website was divided into two portions. The top half highlighted three main programs – the FJE Annual Fund, the Legal Opportunity Scholarship Fund, and the Task Force for American Democracy. Below those program areas were six entity categories – Center for Public Interest Law, Global Programs, DEI Center, SDFs, Special Projects, and Public/Civic Education.

Using an omni-channel approach of direct mail, social media, email, and more, this fundraising extravaganza generated engagement and promoted participation from members and the public, while building brand awareness and increasing donations to support an array of charitable programs. Several new improvements were made to the online platform, including a search bar to allow donors to find their programs more easily, a secondary donor recognition link listing all donor names in real time, and a public facing toolkit to help others promote the campaign.



The FJE worked with ABA leaders and entities to promote ABA Giving Day and incorporate messaging into their current communication streams. The FJE developed a toolkit to assist with the process, which included sample emails and social media posts, suggested hashtags, an FAQ, and access to digital assets.

Additionally, the FJE worked with ABA leaders to send messages to the House of Delegates and the Board of Governors. The *ABA Journal* promoted Giving Day through an article and social media posts and the Media Relations Division issued a press release. The FJE also worked with the Digital Content social media team to post messages across the ABA's Facebook, LinkedIn, and Instagram accounts.



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## The ABE's Gift Amplifies Restricted Donations *Generosity That Inspires Growth*

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Recognizing that donors often want to designate gifts to specific programs that they care about, the FJE works collaboratively with entities to increase donations for their mission-driven work. The FJE understands that positioning the ABA for transformational donations and grants is the goal in our development efforts. With the support of substantial unrestricted gifts like the ABE's, the ABA and its entities are poised to strategize on the greater impact they want to have in the world. The following information describes how individual giving, restricted and unrestricted, has increased over recent years.

### ***Event Specific Fundraising Activities***

Post-pandemic, the ABA and its entities emerged into a world mixed with in-person and hybrid fundraising events. Throughout this transition, the FJE helped in different capacities to develop and execute fundraising plans for each event, working alongside entities to host experiences and implement strategies that generated sponsorship revenue and individual donations. The FJE assisted with developing event prospectuses, building prospect lists, developing communications, and fulfilling the benefits promised to generous sponsors to support such events as:

- Center for Human Rights – *Eleanor Roosevelt Prize for Global Human Rights Achievement*
- Commission on Domestic and Sexual Violence – *Sharon L. Corbitt Award*
- Commission on Hispanic Legal Rights and Responsibilities – *Cinco de Musica*
- Commission on Women in the Profession – *Margaret Brent Award Luncheon*
- Commission on Racial and Ethnic Diversity in the Profession – *Spirit of Excellence Awards*
- Commission on Sexual Orientation and Gender Identity – *Stonewall Awards*
- Death Penalty Representation – *Volunteer Recognition & Awards*
- Section of Civil Rights and Social Justice – *Thurgood Marshall Award Dinner*
- Senior Lawyers Division – *Pickering Award*
- Standing Committee on Pro Bono and Public Service – *Pro Bono Publico Awards & Equal Justice Conference*

### ***Major Initiatives Increase Giving***

Over the last several years, the ABA has undertaken initiatives that protect voter rights, expand diversity in the profession, and promote equal access to justice for all. With robust programming often comes charitable support from organizations and foundations interested in making a meaningful impact over time. Below are several programs that came to fruition in FY2023 and already having an impact in FY2024.

### Cornerstones of Democracy

The American Arbitration Association – ICDR (AAA-ICDR) Foundation awarded \$200,000 to harness the knowledge of the legal profession to lead conversations across the country to model civil discourse and help restore confidence in the democratic process, the judicial system, and civic institutions. The project officially launched in the summer of 2023 and will include collaboration with state, local, and affinity bars across the country. This is the largest contribution received from the Foundation.

### Voter and Election Protection Legal Assistance Project

NEO Philanthropy’s State Infrastructure Fund contributed a total of \$175,000 over two years to the Section of Civil Rights and Social Justice to expand the number of lawyers prepared to protect voters’ rights. The project provided training and materials to bolster their skills for engagement in voting rights, fair redistricting, and election protection primarily within Black, Indigenous, and People of Color (BIPOC) and historically underrepresented communities.

### Military Pro Bono Project

As part of ABA Giving Day, the Bob and Dolores Hope Foundation donated \$25,000 to support this crucial program. Each year, over a million dollars in donated billable hours are provided to help junior-enlisted, active-duty military personnel and their families facing civil legal issues. The Standing Committee on Legal Assistance for Military Personnel recruits and trains pro bono lawyers to accept case referrals from military attorneys. The project has received several large contributions, including \$50,000 from an individual donor and a \$57,000 cy pres award.

### Task Force for American Democracy

The Rockefeller Brothers Foundation made a \$100,000 charitable gift to support the Task Force, created by ABA President Mary Smith, over the next two years. This contribution and others from individuals and organizations bring the fundraising total to over \$200,000 as of December 2023. This funding makes it possible to hold listening tours in key states, create response teams of lawyers and law students to address election issues that may arise in 2024 and after, and develop policy around voting rights and elections.

### Diversity, Equity, and Inclusion Center

AT&T increased its giving to \$35,000, over the \$15,000 in prior years, for the ABA’s diversity, equity, and inclusion related work. This funding helped to support the Commission on Hispanic Rights and Responsibilities, the Commission on Disability Rights, the Judicial Intern Opportunity Program, the Commission on Gender and Sexual Identity, and the Legal Opportunity Scholarship Fund.

### Survivor-Centered and Trauma-Informed Dispute Resolution Project (*PENDING*)

A full proposal was requested by the AAA-ICDR Foundation for a new Commission on Domestic and Sexual Violence project. The application requested \$250,000 for two years to



assess gender-based violence training requirements for attorneys, mediators, and settlement masters engaged in alternative dispute resolution (ADR) and create training on survivor-focused, trauma-informed ADR strategies, develop tools for ADR professionals on safety planning and trauma-informed practices, and draft a report for state bar and mediation associations with training recommendations to ensure safe, trauma-informed ADR processes for survivors.

#### Older Adults Benefits and Services Replication Guide (PENDING)

A letter of intent was submitted to the Retirement Research Foundation (RRF) for Aging, an organization that supports projects that enhance the quality of life for older people. The Commission on Law and Aging requested \$80,000 to create its guide intended to decrease homelessness and housing insecurity by advising service providers on applying for community resources and benefits.

#### Teen Gun Violence Talk Back Initiative (PENDING)

A Letter of Intent was sent to the Kaiser Permanente Center for Gun Violence Research and Education on behalf of the ABA Standing Committee on Gun Violence for a new initiative. This program will provide a safe and educational forum for high school students to discuss the impact of gun violence. It builds upon curriculum developed by the ABA Division of Public Education provides real world information to assist high school students as they navigate the ever-changing landscape of school shootings, active shooter drills and overall gun violence.

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## **The ABE's Grant Charts the Future** *Breadth of Work Improves Communities and the Profession*

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Collaboration emerges as a central theme for the future of the legal profession. Partnerships between law firms, nonprofit organizations, government agencies, and academic institutions can create synergies that amplify the impact of legal services. These collaborations can lead to innovative solutions, shared resources, and a collective commitment to addressing the root causes of poverty and inequality. We greatly appreciate the ABE for its partnership to bring about a more just society that thrives on principles of fairness, compassion, and well-being.

When the ABE's grant is combined with other ABA resources, our programs promote greater access to justice, shape the practice of law, and improve people's lives – and these efforts are limited only by resources available. Demonstrable improvements in our fundraising capabilities and expanded communications show how the ABE's contribution is leveraged with other donations to more effectively fund the ABA's variety of worthy endeavors.

The projects discussed represent a sample of our compelling work. Please let us know if you would like additional information on any of our projects or programs. We are delighted to

provide additional information. Thank you again for your consideration of our request for \$3,700,000 to support these critical programs.

**Internal Revenue Service**

**Date:** March 24, 2005

AMERICAN BAR ASSOCIATION FUND FOR  
JUSTICE AND EDUCATION  
321 N CLARK ST  
CHICAGO IL 60610-4714 993

**Department of the Treasury**  
**P. O. Box 2508**  
**Cincinnati, OH 45201**

**Person to Contact:**  
Ms. Wallace 31-04021  
Customer Service Specialist  
**Toll Free Telephone Number:**  
8:30 a.m. to 5:30 p.m. ET  
877-829-5500  
**Fax Number:**  
513-263-3756  
**Federal Identification Number:**  
36-6110299

**Dear Sir or Madam:**

This is in response to your request of March 24, 2005, regarding your organization's tax-exempt status.

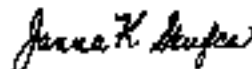
In July 1963 we issued a **determination letter** that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that your organization is also classified as a public charity under section 509(a)(3) of the Internal Revenue Code.

Our records indicate that contributions to your organization are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE  
Customer Account Services

**American Bar Association**  
**FUND FOR JUSTICE AND EDUCATION**  
**STATEMENT OF ACTIVITIES**  
*(In Thousands)*

	<b>Year Ended August 31, 2023</b>	<b>Fiscal 2023 Budget</b>
<b>Operating</b>		
Revenues:		
Meeting fees	\$ 914	\$ 779
Grants	114,242	93,387
Sponsorships	2	-
Gifts and contributions	7,095	6,377
Publications	82	100
Royalties	60	47
Accreditation fees	351	365
Other	1,044	813
	123,790	101,868
<b>Expenses</b>		
Salaries, wages, and benefits	53,908	47,750
Professional fees and services	50,956	36,736
Meetings and travel	8,921	9,361
Advertising and marketing	79	77
Printing and publications	455	547
Facilities	6,077	5,499
Supplies and other	2,978	9,428
	123,374	109,398
Interfund transfers	412	(2,066)
	123,786	107,332
Excess revenues over (under) expenses after transfers	4	(5,464)
<b>Nonoperating items</b>		
Investment return, net		
Endowment funds with program restrictions	886	
Other	331	3
Other nonoperating	-	
	1,217	3
<b>CHANGE IN ASSETS</b>	1,221	(5,461)
Net assets at beginning of year	30,372	30,372
Net assets at end of year	\$ 31,593	\$ 24,911

**ABA Fund for Justice and Education**  
**Fiscal 2024 Budget**  
(\$ In Thousands)

Description	Without Donor Restrictions	With Donor Restrictions	Total	FJE Office*
<b>Revenues</b>				
Membership Dues	\$ -	\$ -	\$ -	
Meeting Fees	1,021		1,021	
Advertising	-		-	
Gifts, Contributions, and Sponsorships	4,532	2,368	6,900	
Grants	108,167		108,167	
Publications	89		89	
Royalties	52		52	
Rental Income	-		-	
Accreditation Fees	374		374	
Miscellaneous Other	1,123		1,123	
Investment income from Operations	-		-	-
Designated Reserve for Operations	-		-	-
Net Assets Released from Restrictions	3,332	(3,332)	-	-
<b>Total Revenues</b>	<b>\$ 118,690</b>	<b>\$ (964)</b>	<b>\$ 117,726</b>	<b>\$ -</b>
<b>Expenses</b>				
Compensation	\$ 47,667		\$ 47,667	\$ 534
Fringe Benefits and Payroll Taxes	13,446		13,446	153
Professional Services	45,679		45,679	
Meetings and Travel	10,065		10,065	57
Advertising and Marketing	112		112	134
Publishing	472		472	
Facilities	6,216		6,216	138
Transfers	(2,801)		(2,801)	
Other Expenses	6,300		6,300	83
<b>Total Expenses</b>	<b>\$ 127,156</b>	<b>\$ -</b>	<b>\$ 127,156</b>	<b>\$ 1,099</b>
<b>Net Revenues over/(under) Expenses</b>	<b>\$ (8,466)</b>	<b>\$ (964)</b>	<b>\$ (9,430)</b>	<b>\$ (1,099)</b>
<b>Non-Operating:</b>				
Net Change in Pension Liability other than Periodic Cost	\$ -	\$ -	\$ -	\$ -
Investment Income	-	1,166	1,166	
Reserve Transfers	-	-	-	-
Other Non-operating	-	-	-	-
<b>Net Change in Total Net Assets</b>	<b>\$ (8,466)</b>	<b>\$ 202</b>	<b>\$ (8,264)</b>	

\*ABE dollars are not used to support the personnel costs and operational expenses of the FJE Office, which totals \$1,099,000 in FY2024.

The most recent audited financial statement of actual revenue and expense for FY2023 and the most recent FJE 990 can be accessed by clicking this link:

[https://www.americanbar.org/about\\_the\\_aba/financial\\_reports/](https://www.americanbar.org/about_the_aba/financial_reports/)



## **BOARD OF GOVERNORS 2023-2024**

### **OFFICERS**

President	2023 – 2024	Mary L. Smith 17533 Maple Dr Lansing, IL 60438-2079 (708) 895-7909 marysmith828@hotmail.com
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**Minutes of the Finance Committee Meeting  
American Bar Endowment  
January 26, 2024**

The Finance Committee of the American Bar Endowment held a regular meeting January 26, 2024 via Zoom. Committee members in attendance for the meeting were:

Michelle Behnke, *Chair*  
Hilarie Bass, *Vice Chair*  
Kevin Shepherd

Tracy Giles  
Randall Noel

Also present for all or a part of the meeting were:

Dana Sturtz Hill, *ABE Executive Director*  
Izzy Eisen, *ABE Staff*

William O'Brien, *RSM Audit Partner*  
Lauren Reeves, *RSM Audit Lead*

Ms. Behnke opened the meeting, thanking the board members, and Ms. Hill and her team. She stated that the main order of business for this meeting was to review and approve the audit and the report to finance. She shared that once done looking at the financials, there will be a required communication discussion with the auditors, pausing to ask for questions or concerns.

The audit team, Bill O'Brien and Lauren Reeves, then joined the meeting and introduced themselves. Mr. O'Brien and Ms. Reeves gave an overview of the audit process, giving a brief timeline and specifying ABE personnel involved. Mr. O'Brien began by highlighting the most critical element and output of the audit, the audit opinion, which shows an unqualified opinion. He also noted the page that would be signed and dated by RSM once the financials had been approved by the board. Ms. Reeves then talked through ABE's statement of financial position, statement of activities, statement of cash flows, and the footnotes to the financial statements, highlighting material or interesting changes throughout the year. Ms. Behnke asked, noting that ABE is working towards a custodial banking relationship with PNC, if we would expect the notes and reporting on ABE's investments to be any different in a future audit. Ms. Reeves stated that it depends on the nature of the underlying investments. If ABE continues to stay invested in hedge funds and real estate type items, this type of disclosure would still be required. However, if ABE moves towards level 1 type equity positions, this could be scaled back. Ms. Behnke noted that even if the types of investment did not change, the custodial relationship could make the auditing process more streamlined. Ms. Hill noted that through conversations with Marquette, she believed that we were moving towards more Level 1 investments. Ms. Reeves then noted the section where the breakdown by entity is included. Mr. O'Brien noted that the audit was essentially done barring a few small details.

Ms. Behnke asked for a motion to approve the audited financial statements. The motion was so moved by Ms. Bass and seconded by Mr. Giles, no discussion was brought forth, and the motion was approved by those present.

Mr. O'Brien then talked through RSM's Report to the Finance Committee, a required private communication between the audit firm and the Finance Committee. He talked about the new

standard for leases and that the impact would be more substantial in 2024 when ABE signs a new lease. He covered the significant accounting estimates and the one adjustment made in the year as of June 30<sup>th</sup>. Ms. Behnke then shared that this adjustment is something that usually happens in due course prior to the audit, but that due to the internal transitions at ABE, those entries did not get made in normal course and the need for the adjustment was discovered during the audit process. Mr. Giles clarified that this was simply a mark to market entry for the ABE investments. Mr. O'Brien agreed that the adjustment is routine and usually happens on a monthly basis, and that Ms. Hill had worked closely with RSM to confirm that the appropriate adjustment ended up being made. Mr. O'Brien continued on to discuss uncorrected misstatements (none), internal control matters (recommending monthly review and reconciliation of investments), and the circumstances that made this audit unique, specifically the personnel transitions of the Executive Director and the Accounting Manager between May and November. He walked through the additional due diligence RSM undertook (including an independent reviewer for investments outside of the normal engagement staff). He thanked Ms. Hill for her work in bridging the gaps in the audit process and noted that RSM is ready to bring this audit process to a close. Mr. Giles thanked the RSM representatives for their thoroughness and professionalism throughout this process. Mr. O'Brien then continued on to discuss the independence of RSM, RSM's non-profit practice, and significant communications encountered during the audit. Ms. Behnke noted that updating and plans to modernize the ABE finance function will be part of the conversation had in Louisville.

Ms. Behnke then called an executive session of the committee outside of management for RSM to speak directly with the Committee.

There being no further business before the Committee, the meeting was adjourned.

Respectfully submitted,

Michelle Behnke  
Chair

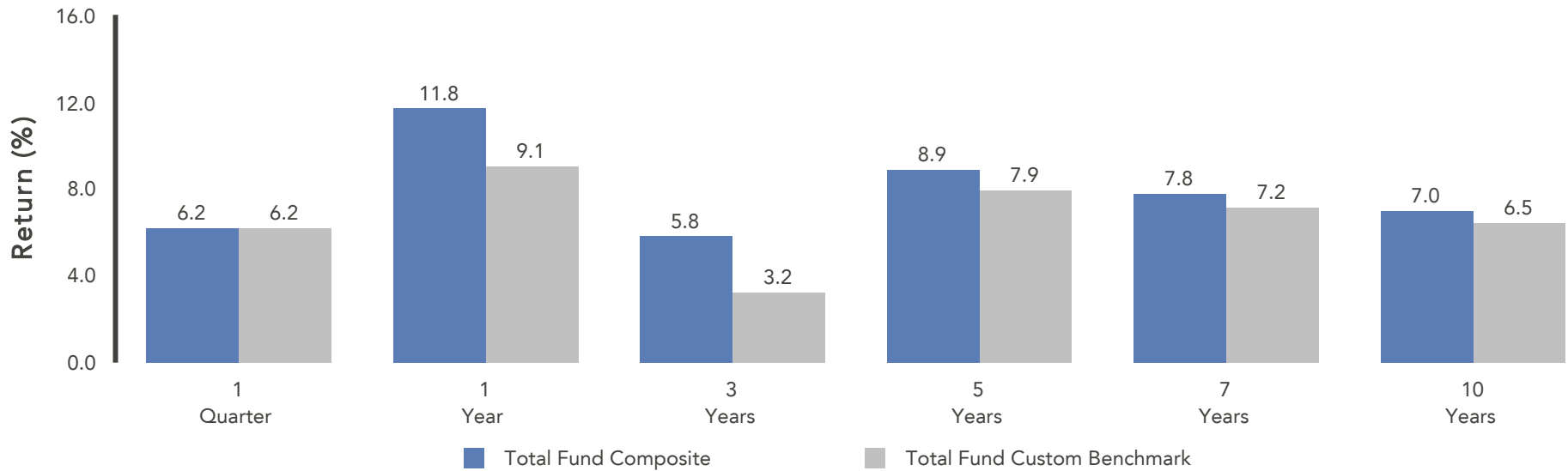
# American Bar Endowment

Executive Summary  
December 31, 2023

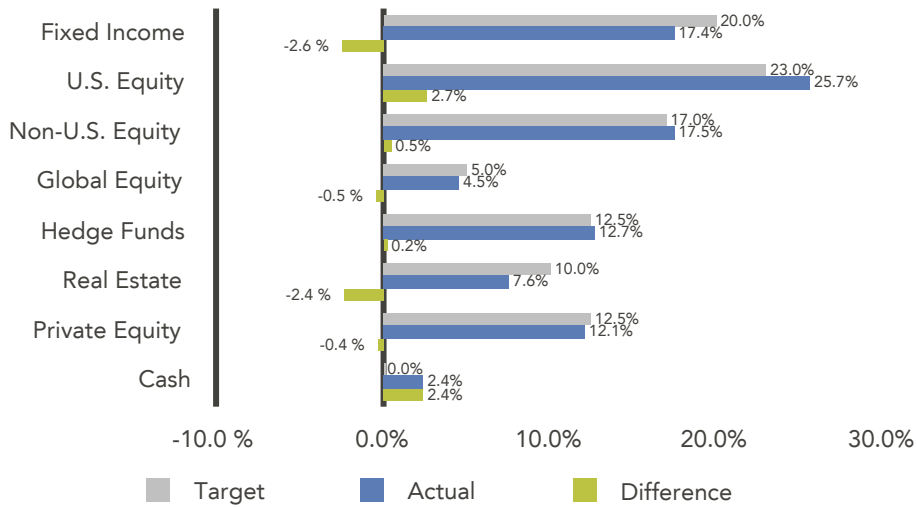
## Endowment

## Manager Status

Investment Manager	Asset Class	Status	Reason
Baird Ultra Short Bond	Short-Term Fixed Income	In Compliance	--
Baird Aggregate Bond	Core Fixed Income	In Compliance	--
Northern Trust Aggregate Bond Index	Core Fixed Income	In Compliance	--
Rhumblin S&P 500 Index	Large-Cap Core	In Compliance	--
NT Russell 2000 Equity Index	Small-Cap Core	In Compliance	--
Dodge & Cox International Stock Fund	Non-U.S. Large-Cap Core	In Compliance	--
Northern Trust ACWI ex-US Equity Index	Non-U.S. All-Cap Core	In Compliance	--
Goldman Sachs International Small Cap Insights	Non-U.S. Small-Cap Core	In Compliance	--
MFS Low Volatility Global Equity Fund	Global Low-Volatility	In Compliance	--
Grosvenor Institutional Partners, L.P.	Multi-Strat. Hedge FoF	In Compliance	--
Parametric Defensive Equity Fund LLC	Defensive Equity	In Compliance	--
Morgan Stanley Prime Property Fund, LLC	Core Real Estate	In Compliance	--
Levine Leichtman Capital Partners V, LP	Mezz. Private Equity	In Compliance	--
Levine Leichtman Capital Partners VI, LP	Mezz. Private Equity	In Compliance	--
PIMCO BRAVO Fund Onshore Feeder II, LP	Opportunistic Fixed Income	In Compliance	--
PIMCO BRAVO Fund III Onshore Feeder TE	Opportunistic Fixed Income	In Compliance	--
PIMCO BRAVO Fund IV Onshore Feeder, LP	Opportunistic Fixed Income	In Compliance	--



Total Fund Composite vs. Target Allocation



Summary of Cash Flows

	1 Year (\$)	3 Years (\$)	5 Years (\$)
Beginning Market Value	150,193,084	148,380,063	123,215,677
Net Cash Flow	-3,149,152	-15,172,572	-25,091,982
Gain/Loss	18,588,671	32,425,113	67,508,908
Ending Market Value	165,632,603	165,632,603	165,632,603

## Endowment

Portfolio Allocation  
Quarter Ending December 31, 2023

	Asset Class	Beginning MV (\$)	Net Cash Flow (\$)	Ending MV (\$)	% of Portfolio	Policy (%)
<b>Total Fund Composite</b>		<b>155,939,964</b>	<b>-37,294</b>	<b>165,632,603</b>	<b>100.0</b>	<b>100.0</b>
<b>Fixed Income Composite</b>		<b>27,367,191</b>	<b>-1,864</b>	<b>28,898,507</b>	<b>17.4</b>	<b>20.0</b>
Baird Ultra Short Bond	Short-Term Fixed Income	7,310,410	-	7,438,754	4.5	-
Baird Aggregate Bond	Core Fixed Income	10,538,118	-	11,296,780	6.8	-
Northern Trust Aggregate Bond Index	Core Fixed Income	9,518,662	-1,864	10,162,973	6.1	-
<b>U.S. Equity Composite</b>		<b>37,879,336</b>	<b>-4,768</b>	<b>42,539,469</b>	<b>25.7</b>	<b>23.0</b>
Rhumblin S&P 500 Index	Large-Cap Core	27,627,742	-2,763	30,849,648	18.6	-
NT Russell 2000 Equity Index	Small-Cap Core	10,251,593	-2,005	11,689,821	7.1	-
<b>International Equity Composite</b>		<b>26,722,239</b>	<b>-3,420</b>	<b>29,009,786</b>	<b>17.5</b>	<b>17.0</b>
Dodge & Cox International Stock Fund	Non-U.S. Large-Cap Core	11,248,785	-	12,015,031	7.3	-
Northern Trust ACWI ex-US Equity Index	Non-U.S. All-Cap Core	11,373,791	-3,420	12,477,603	7.5	-
Goldman Sachs International Small Cap Insights	Non-U.S. Small-Cap Core	4,099,663	-	4,517,153	2.7	-
<b>Global Low Volatility Composite</b>		<b>6,908,057</b>	<b>-</b>	<b>7,510,037</b>	<b>4.5</b>	<b>5.0</b>
MFS Low Volatility Global Equity Fund	Global Low-Volatility	6,908,057	-	7,510,037	4.5	-
<b>Hedge Fund of Funds Composite</b>		<b>20,206,906</b>	<b>-</b>	<b>21,077,775</b>	<b>12.7</b>	<b>12.5</b>
Grosvenor Institutional Partners, L.P.	Multi-Strat. Hedge FoF	7,887,376	-	8,076,610	4.9	-
Parametric Defensive Equity Fund LLC	Defensive Equity	12,319,530	-	13,001,165	7.8	-

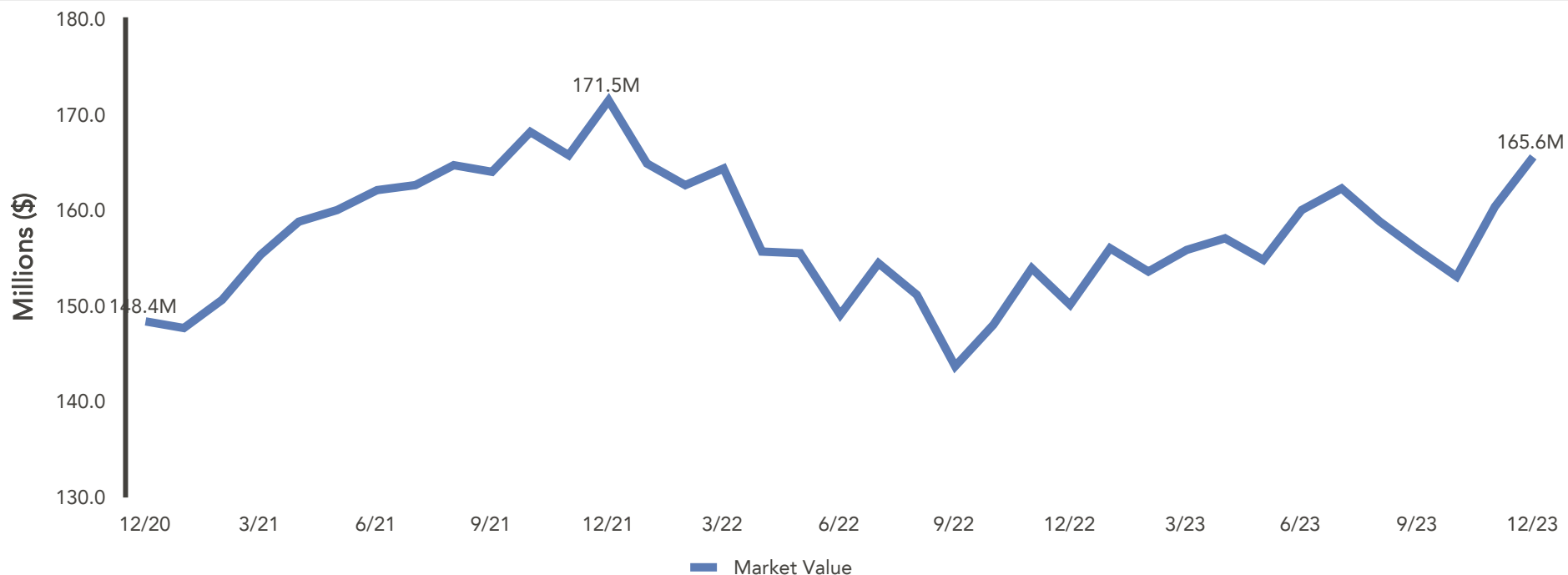
## Endowment

Portfolio Allocation  
Quarter Ending December 31, 2023

	Asset Class	Beginning MV (\$)	Net Cash Flow (\$)	Ending MV (\$)	% of Portfolio	Policy (%)
<b>Real Estate Composite</b>		<b>12,972,597</b>	<b>-155,048</b>	<b>12,558,748</b>	<b>7.6</b>	<b>10.0</b>
Morgan Stanley Prime Property Fund, LLC	Core Real Estate	12,972,597	-155,048	12,558,748	7.6	-
<b>Private Equity/Oppportunistic Investments</b>		<b>23,570,141</b>	<b>-3,515,028</b>	<b>20,055,113</b>	<b>12.1</b>	<b>12.5</b>
Levine Leichtman Capital Partners V, LP	Mezz. Private Equity	3,507,823	-3,202,620	305,203	0.2	-
Levine Leichtman Capital Partners VI, LP	Mezz. Private Equity	10,485,371	-312,408	10,172,963	6.1	-
PIMCO BRAVO Fund Onshore Feeder II, LP	Oppportunistic Fixed Income	202,372	-	202,372	0.1	-
PIMCO BRAVO Fund III Onshore Feeder TE	Oppportunistic Fixed Income	3,923,849	-	3,923,849	2.4	-
PIMCO BRAVO Fund IV Onshore Feeder, LP	Oppportunistic Fixed Income	5,450,726	-	5,450,726	3.3	-
<b>Cash Composite</b>		<b>313,498</b>	<b>3,642,834</b>	<b>3,983,168</b>	<b>2.4</b>	<b>0.0</b>
Northern Trust Money Market	Cash & Equivalents	313,498	3,642,834	3,983,168	2.4	-

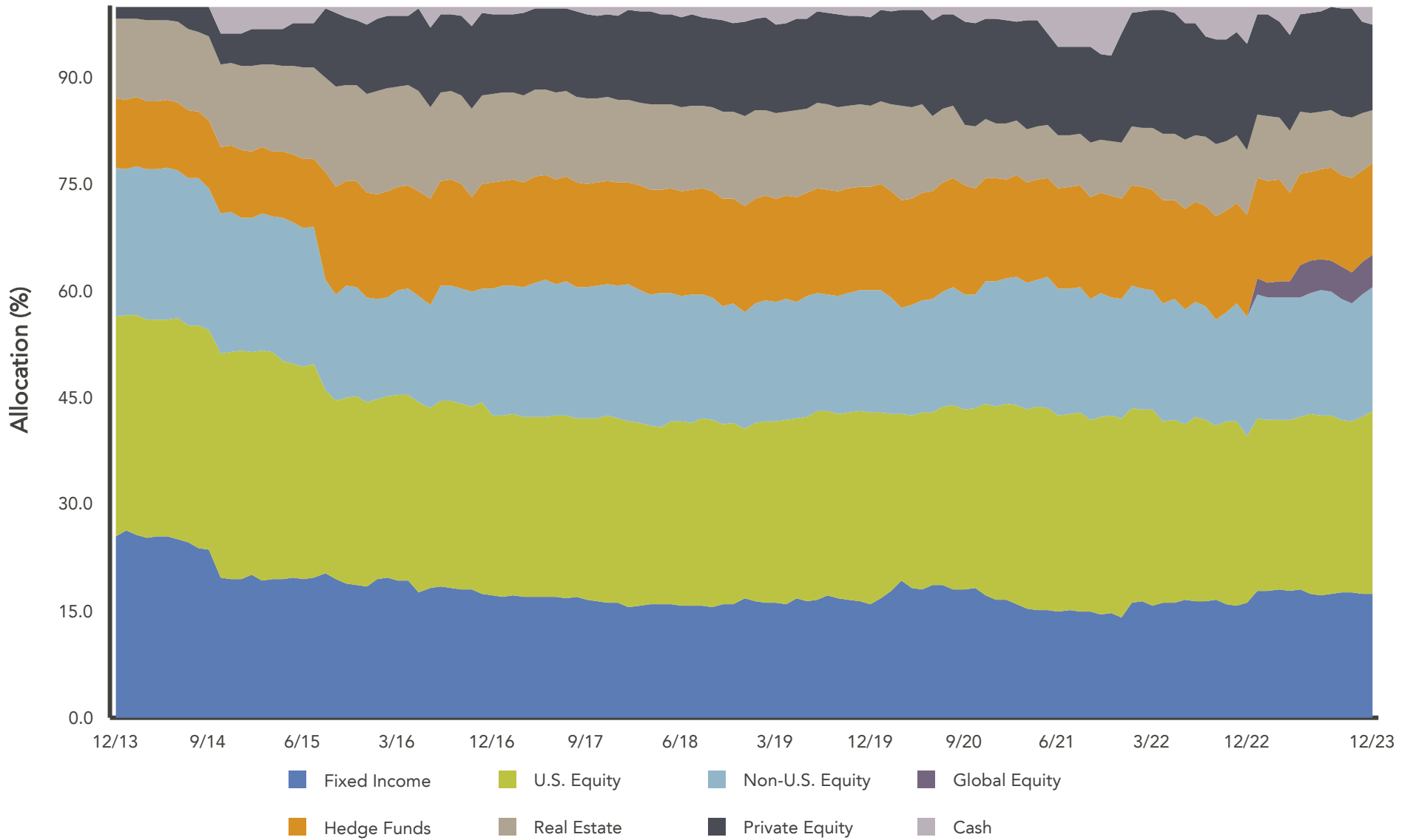


Market Value History



Summary of Cash Flows

	1 Year (\$)	3 Years (\$)	5 Years (\$)
Beginning Market Value	150,193,084	148,380,063	123,215,677
Net Cash Flow	-3,149,152	-15,172,572	-25,091,982
Net Investment Change	18,588,671	32,425,113	67,508,908
Ending Market Value	165,632,603	165,632,603	165,632,603



## Endowment

Annualized Performance (Net of Fees)

As of December 31, 2023

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	4 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
<b>Total Fund Composite</b>	<b>165,632,603</b>	<b>100.0</b>	<b>6.2</b>	<b>11.8</b>	<b>0.6</b>	<b>5.8</b>	<b>6.9</b>	<b>8.9</b>	<b>7.8</b>	<b>7.0</b>
Total Fund Custom Benchmark			6.2	9.1	-1.9	3.2	5.8	7.9	7.2	6.5
All Endowments-Total Fund Rank			82	69	8	5	14	22	21	14
<b>Fixed Income Composite</b>	<b>28,898,507</b>	<b>17.4</b>	<b>5.6</b>	<b>6.1</b>	<b>-2.9</b>	<b>-2.4</b>	<b>0.1</b>	<b>1.8</b>	<b>1.8</b>	<b>2.1</b>
Blmbg. U.S. Aggregate Index			6.8	5.5	-4.2	-3.3	-0.7	1.1	1.3	1.8
All Endowments-US Fixed Income Rank			75	82	49	46	45	43	34	6
<b>U.S. Equity Composite</b>	<b>42,539,469</b>	<b>25.7</b>	<b>12.3</b>	<b>23.5</b>	<b>0.0</b>	<b>7.6</b>	<b>10.5</b>	<b>14.1</b>	<b>11.7</b>	<b>10.6</b>
Russell 3000 Index			12.1	26.0	0.9	8.5	11.5	15.2	12.8	11.5
All Endowments-US Equity Rank			18	51	65	85	71	78	85	82
<b>International Equity Composite</b>	<b>29,009,786</b>	<b>17.5</b>	<b>8.6</b>	<b>15.8</b>	<b>0.5</b>	<b>3.5</b>	<b>4.3</b>	<b>7.7</b>	<b>6.3</b>	<b>3.8</b>
MSCI AC World ex USA (Net)			9.8	15.6	-1.5	1.5	3.8	7.1	6.3	3.8
All Endowments-Intl Equity Rank			88	46	7	8	22	50	63	74
<b>Global Low Volatility Composite</b>	<b>7,510,037</b>	<b>4.5</b>	<b>8.7</b>	<b>8.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI AC World Minimum Volatility Index (Net)			6.5	7.7	-1.7	3.3	3.1	6.5	6.8	6.9
All Endowments-Global Equity Rank			98	100	-	-	-	-	-	-
<b>Hedge Fund of Funds Composite</b>	<b>21,077,775</b>	<b>12.7</b>	<b>4.3</b>	<b>12.7</b>	<b>2.5</b>	<b>5.8</b>	<b>7.0</b>	<b>7.8</b>	<b>6.5</b>	<b>5.4</b>
HFRI Fund of Funds Composite Index			3.6	6.6	0.5	2.3	4.4	5.2	4.2	3.3
<b>Real Estate Composite</b>	<b>12,558,748</b>	<b>7.6</b>	<b>-2.2</b>	<b>-5.8</b>	<b>0.0</b>	<b>6.7</b>	<b>5.3</b>	<b>5.5</b>	<b>6.3</b>	<b>8.2</b>
NFI-ODCE			-4.8	-12.6	-3.5	4.1	3.1	3.4	4.4	6.4

## Endowment

Calendar Performance (Net of Fees)

As of December 31, 2023

	Market Value (\$)	% of Portfolio	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Total Fund Composite</b>	<b>165,632,603</b>	<b>100.0</b>	<b>11.8</b>	<b>-9.4</b>	<b>17.0</b>	<b>10.3</b>	<b>17.0</b>	<b>-3.3</b>	<b>14.2</b>	<b>7.9</b>	<b>1.2</b>
Total Fund Custom Benchmark			9.1	-11.7	14.1	14.0	16.9	-3.0	14.5	7.1	1.5
All Endowments-Total Fund Rank			69	14	14	76	69	20	66	25	5
<b>Fixed Income Composite</b>	<b>28,898,507</b>	<b>17.4</b>	<b>6.1</b>	<b>-11.1</b>	<b>-1.3</b>	<b>7.9</b>	<b>9.1</b>	<b>-0.2</b>	<b>3.8</b>	<b>3.0</b>	<b>0.5</b>
Blmbg. U.S. Aggregate Index			5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
All Endowments-US Fixed Income Rank			82	43	88	53	37	57	56	73	30
<b>U.S. Equity Composite</b>	<b>42,539,469</b>	<b>25.7</b>	<b>23.5</b>	<b>-19.0</b>	<b>24.5</b>	<b>19.6</b>	<b>29.8</b>	<b>-6.3</b>	<b>19.7</b>	<b>14.3</b>	<b>-0.3</b>
Russell 3000 Index			26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5
All Endowments-US Equity Rank			51	72	83	36	62	66	85	13	69
<b>International Equity Composite</b>	<b>29,009,786</b>	<b>17.5</b>	<b>15.8</b>	<b>-12.7</b>	<b>9.8</b>	<b>6.8</b>	<b>22.0</b>	<b>-16.4</b>	<b>26.7</b>	<b>6.3</b>	<b>-8.7</b>
MSCI AC World ex USA (Net)			15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7
All Endowments-Intl Equity Rank			46	7	15	96	78	65	83	29	95
<b>Global Low Volatility Composite</b>	<b>7,510,037</b>	<b>4.5</b>	<b>8.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
MSCI AC World Minimum Volatility Index (Net)			7.7	-10.3	13.9	2.7	21.1	-1.6	17.9	7.4	2.8
All Endowments-Global Equity Rank			100	-	-	-	-	-	-	-	-
<b>Hedge Fund of Funds Composite</b>	<b>21,077,775</b>	<b>12.7</b>	<b>12.7</b>	<b>-6.8</b>	<b>12.9</b>	<b>10.6</b>	<b>11.1</b>	<b>-2.2</b>	<b>8.8</b>	<b>4.4</b>	<b>1.4</b>
HFRI Fund of Funds Composite Index			6.6	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3
<b>Real Estate Composite</b>	<b>12,558,748</b>	<b>7.6</b>	<b>-5.8</b>	<b>6.1</b>	<b>21.5</b>	<b>1.3</b>	<b>6.2</b>	<b>8.0</b>	<b>8.8</b>	<b>9.2</b>	<b>14.6</b>
NFI-ODCE			-12.6	6.5	21.1	0.3	4.4	7.4	6.7	7.8	14.0

## Endowment

Annualized Performance (Net of Fees)  
As of December 31, 2023

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
<b>Total Fund Composite</b>	<b>165,632,603</b>	<b>100.0</b>	<b>6.2</b>	<b>11.8</b>	<b>5.8</b>	<b>8.9</b>	<b>7.8</b>	<b>7.0</b>	<b>5.0</b>	<b>Nov 99</b>
Total Fund Custom Benchmark			6.2	9.1	3.2	7.9	7.2	6.5	5.0	
All Endowments-Total Fund Rank			82	69	5	22	21	14	90	
<b>Fixed Income Composite</b>	<b>28,898,507</b>	<b>17.4</b>	<b>5.6</b>	<b>6.1</b>	<b>-2.4</b>	<b>1.8</b>	<b>1.8</b>	<b>2.1</b>	<b>3.8</b>	<b>Apr 03</b>
Blmbg. U.S. Aggregate Index			6.8	5.5	-3.3	1.1	1.3	1.8	3.2	
All Endowments-US Fixed Income Rank			75	82	46	43	34	6	-	
<b>Baird Ultra Short Bond</b>	<b>7,438,754</b>	<b>4.5</b>	<b>1.8</b>	<b>5.7</b>	<b>2.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.1</b>	<b>Jul 20</b>
Blmbg. U.S. Short-term Government/Corporate Index			1.6	5.2	2.0	2.0	1.8	1.4	1.7	
Ultrashort Bond Rank			53	51	27	-	-	-	32	
<b>Baird Aggregate Bond</b>	<b>11,296,780</b>	<b>6.8</b>	<b>7.2</b>	<b>6.4</b>	<b>-3.1</b>	<b>1.6</b>	<b>1.7</b>	<b>-</b>	<b>1.7</b>	<b>Jan 15</b>
Blmbg. U.S. Aggregate Index			6.8	5.5	-3.3	1.1	1.3	1.8	1.4	
eV US Core Fixed Inc Rank			17	18	54	36	31	-	30	
<b>Northern Trust Aggregate Bond Index</b>	<b>10,162,973</b>	<b>6.1</b>	<b>6.8</b>	<b>5.2</b>	<b>-3.3</b>	<b>1.0</b>	<b>1.2</b>	<b>-</b>	<b>1.3</b>	<b>Nov 14</b>
Blmbg. U.S. Aggregate Index			6.8	5.5	-3.3	1.1	1.3	1.8	1.4	
eV US Core Fixed Inc Rank			61	88	71	88	87	-	88	

## Endowment

Annualized Performance (Net of Fees)  
As of December 31, 2023

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
<b>U.S. Equity Composite</b>	<b>42,539,469</b>	<b>25.7</b>	<b>12.3</b>	<b>23.5</b>	<b>7.6</b>	<b>14.1</b>	<b>11.7</b>	<b>10.6</b>	<b>7.2</b>	<b>Nov 99</b>
Russell 3000 Index			12.1	26.0	8.5	15.2	12.8	11.5	7.6	
All Endowments-US Equity Rank			18	51	85	78	85	82	-	
<b>Rhumblin S&amp;P 500 Index</b>	<b>30,849,648</b>	<b>18.6</b>	<b>11.7</b>	<b>26.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26.2</b>	<b>Jan 23</b>
S&P 500 Index			11.7	26.3	10.0	15.7	13.4	12.0	26.3	
eV US Large Cap Core Equity Rank			45	25	-	-	-	-	25	
<b>NT Russell 2000 Equity Index</b>	<b>11,689,821</b>	<b>7.1</b>	<b>14.0</b>	<b>16.8</b>	<b>2.2</b>	<b>10.0</b>	<b>7.4</b>	<b>7.3</b>	<b>8.3</b>	<b>Jan 04</b>
Russell 2000 Index			14.0	16.9	2.2	10.0	7.3	7.2	8.1	
eV US Small Cap Core Equity Rank			20	51	88	82	75	73	79	
<b>International Equity Composite</b>	<b>29,009,786</b>	<b>17.5</b>	<b>8.6</b>	<b>15.8</b>	<b>3.5</b>	<b>7.7</b>	<b>6.3</b>	<b>3.8</b>	<b>3.6</b>	<b>Nov 99</b>
MSCI AC World ex USA (Net)			9.8	15.6	1.5	7.1	6.3	3.8	4.3	
All Endowments-Intl Equity Rank			88	46	8	50	63	74	-	
<b>Dodge &amp; Cox International Stock Fund</b>	<b>12,015,031</b>	<b>7.3</b>	<b>6.8</b>	<b>16.7</b>	<b>6.5</b>	<b>8.6</b>	<b>6.4</b>	<b>4.0</b>	<b>4.4</b>	<b>Aug 08</b>
MSCI AC World ex USA Value (Net)			8.4	17.3	5.8	6.3	5.3	2.9	2.9	
Foreign Large Value Rank			87	63	43	31	34	30	16	
<b>Northern Trust ACWI ex-US Equity Index</b>	<b>12,477,603</b>	<b>7.5</b>	<b>9.7</b>	<b>15.2</b>	<b>1.5</b>	<b>7.1</b>	<b>6.3</b>	<b>3.8</b>	<b>4.9</b>	<b>Oct 08</b>
MSCI AC World ex USA (Net)			9.8	15.6	1.5	7.1	6.3	3.8	4.9	
eV ACWI ex-US All Cap Equity Rank			58	62	51	74	71	79	82	
<b>Goldman Sachs International Small Cap Insights</b>	<b>4,517,153</b>	<b>2.7</b>	<b>10.2</b>	<b>15.1</b>	<b>2.0</b>	<b>6.8</b>	<b>6.0</b>	<b>-</b>	<b>6.0</b>	<b>Jan 17</b>
MSCI EAFE Small Cap (Net)			11.1	13.2	-0.7	6.6	6.0	4.8	6.0	
Foreign Small/Mid Blend Rank			75	39	49	63	43	-	43	

## Endowment

Annualized Performance (Net of Fees)  
As of December 31, 2023

	Market Value (\$)	% of Portfolio	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
<b>Global Low Volatility Composite</b>	<b>7,510,037</b>	<b>4.5</b>	<b>8.7</b>	<b>8.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.6</b>	<b>Feb 23</b>
MSCI AC World Minimum Volatility Index (Net)			6.5	7.7	3.3	6.5	6.8	6.9	5.9	
All Endowments-Global Equity Rank			98	100	-	-	-	-	100	
<b>MFS Low Volatility Global Equity Fund</b>	<b>7,510,037</b>	<b>4.5</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.6</b>	<b>Feb 23</b>
MSCI AC World Minimum Volatility Index (Net)			6.5	7.7	3.3	6.5	6.8	6.9	5.9	
eV Global Low Volatility Equity Rank			26	-	-	-	-	-	27	
<b>Hedge Fund of Funds Composite</b>	<b>21,077,775</b>	<b>12.7</b>	<b>4.3</b>	<b>12.7</b>	<b>5.8</b>	<b>7.8</b>	<b>6.5</b>	<b>5.4</b>	<b>6.2</b>	<b>Apr 09</b>
HFRI Fund of Funds Composite Index			3.6	6.6	2.3	5.2	4.2	3.3	3.8	
<b>Grosvenor Institutional Partners, L.P.</b>	<b>8,076,610</b>	<b>4.9</b>	<b>2.4</b>	<b>7.8</b>	<b>3.0</b>	<b>6.3</b>	<b>5.1</b>	<b>4.1</b>	<b>5.3</b>	<b>Apr 09</b>
HFRI Fund of Funds Composite Index			3.6	6.6	2.3	5.2	4.2	3.3	3.8	
<b>Parametric Defensive Equity Fund LLC</b>	<b>13,001,165</b>	<b>7.8</b>	<b>5.5</b>	<b>16.8</b>	<b>8.3</b>	<b>9.1</b>	<b>7.7</b>	<b>-</b>	<b>7.8</b>	<b>Sep 15</b>
CBOE S&P 500 Covered Combo Index			5.3	14.7	6.1	7.3	6.6	6.4	7.0	
<b>Real Estate Composite</b>	<b>12,558,748</b>	<b>7.6</b>	<b>-2.2</b>	<b>-5.8</b>	<b>6.7</b>	<b>5.5</b>	<b>6.3</b>	<b>8.2</b>	<b>9.7</b>	<b>Jan 11</b>
NFI-ODCE			-4.8	-12.6	4.1	3.4	4.4	6.4	7.7	
<b>Morgan Stanley Prime Property Fund, LLC</b>	<b>12,558,748</b>	<b>7.6</b>	<b>-2.2</b>	<b>-5.8</b>	<b>6.7</b>	<b>5.5</b>	<b>6.3</b>	<b>8.2</b>	<b>9.7</b>	<b>Jan 11</b>
NFI-ODCE			-4.8	-12.6	4.1	3.4	4.4	6.4	7.7	

## Endowment

Calendar Performance (Net of Fees)

As of December 31, 2023

	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Total Fund Composite</b>	<b>11.8</b>	<b>-9.4</b>	<b>17.0</b>	<b>10.3</b>	<b>17.0</b>	<b>-3.3</b>	<b>14.2</b>	<b>7.9</b>	<b>1.2</b>
Total Fund Custom Benchmark	9.1	-11.7	14.1	14.0	16.9	-3.0	14.5	7.1	1.5
All Endowments-Total Fund Rank	69	14	14	76	69	20	66	25	5
<b>Fixed Income Composite</b>	<b>6.1</b>	<b>-11.1</b>	<b>-1.3</b>	<b>7.9</b>	<b>9.1</b>	<b>-0.2</b>	<b>3.8</b>	<b>3.0</b>	<b>0.5</b>
Blmbg. U.S. Aggregate Index	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
All Endowments-US Fixed Income Rank	82	43	88	53	37	57	56	73	30
<b>Baird Ultra Short Bond</b>	<b>5.7</b>	<b>1.0</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Blmbg. U.S. Short-term Government/Corporate Index	5.2	0.7	0.1	1.3	2.7	2.0	1.0	0.8	0.3
Ultrashort Bond Rank	51	26	33	-	-	-	-	-	-
<b>Baird Aggregate Bond</b>	<b>6.4</b>	<b>-13.4</b>	<b>-1.5</b>	<b>8.6</b>	<b>9.5</b>	<b>-0.3</b>	<b>4.2</b>	<b>3.5</b>	<b>0.6</b>
Blmbg. U.S. Aggregate Index	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
eV US Core Fixed Inc Rank	18	68	55	40	22	57	24	30	48
<b>Northern Trust Aggregate Bond Index</b>	<b>5.2</b>	<b>-13.0</b>	<b>-1.3</b>	<b>7.2</b>	<b>8.7</b>	<b>-0.1</b>	<b>3.4</b>	<b>2.5</b>	<b>0.5</b>
Blmbg. U.S. Aggregate Index	5.5	-13.0	-1.5	7.5	8.7	0.0	3.5	2.6	0.5
eV US Core Fixed Inc Rank	88	44	44	83	67	38	72	75	53



## Endowment

Calendar Performance (Net of Fees)

As of December 31, 2023

	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>U.S. Equity Composite</b>	<b>23.5</b>	<b>-19.0</b>	<b>24.5</b>	<b>19.6</b>	<b>29.8</b>	<b>-6.3</b>	<b>19.7</b>	<b>14.3</b>	<b>-0.3</b>
Russell 3000 Index	26.0	-19.2	25.7	20.9	31.0	-5.2	21.1	12.7	0.5
All Endowments-US Equity Rank	51	72	83	36	62	66	85	13	69
Rhumbline S&P 500 Index	26.2	-	-	-	-	-	-	-	-
S&P 500 Index	26.3	-18.1	28.7	18.4	31.5	-4.4	21.8	12.0	1.4
eV US Large Cap Core Equity Rank	25	-	-	-	-	-	-	-	-
NT Russell 2000 Equity Index	16.8	-20.4	14.7	20.2	25.6	-10.9	14.8	21.6	-4.2
Russell 2000 Index	16.9	-20.4	14.8	20.0	25.5	-11.0	14.6	21.3	-4.4
eV US Small Cap Core Equity Rank	51	75	92	35	43	50	45	34	68
<b>International Equity Composite</b>	<b>15.8</b>	<b>-12.7</b>	<b>9.8</b>	<b>6.8</b>	<b>22.0</b>	<b>-16.4</b>	<b>26.7</b>	<b>6.3</b>	<b>-8.7</b>
MSCI AC World ex USA (Net)	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7
All Endowments-Intl Equity Rank	46	7	15	96	78	65	83	29	95
Dodge & Cox International Stock Fund	16.7	-6.8	11.0	2.1	22.8	-18.0	23.9	8.3	-11.4
MSCI AC World ex USA Value (Net)	17.3	-8.6	10.5	-0.8	15.7	-14.0	22.7	8.9	-10.1
Foreign Large Value Rank	63	31	63	49	12	87	43	22	93
Northern Trust ACWI ex-US Equity Index	15.2	-15.7	7.7	10.7	21.4	-13.9	26.9	4.6	-5.8
MSCI AC World ex USA (Net)	15.6	-16.0	7.8	10.7	21.5	-14.2	27.2	4.5	-5.7
eV ACWI ex-US All Cap Equity Rank	62	36	67	67	72	39	66	29	81
Goldman Sachs International Small Cap Insights	15.1	-18.6	13.0	7.7	21.6	-18.8	33.0	-	-
MSCI EAFE Small Cap (Net)	13.2	-21.4	10.1	12.3	25.0	-17.9	33.0	2.2	9.6
Foreign Small/Mid Blend Rank	39	45	51	82	71	51	35	-	-

## Endowment

Calendar Performance (Net of Fees)

As of December 31, 2023

	YTD (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)
<b>Global Low Volatility Composite</b>	<b>8.6</b>	-	-	-	-	-	-	-	-
MSCI AC World Minimum Volatility Index (Net)	7.7	-10.3	13.9	2.7	21.1	-1.6	17.9	7.4	2.8
All Endowments-Global Equity Rank	100	-	-	-	-	-	-	-	-
<b>MFS Low Volatility Global Equity Fund</b>	-	-	-	-	-	-	-	-	-
MSCI AC World Minimum Volatility Index (Net)	7.7	-10.3	13.9	2.7	21.1	-1.6	17.9	7.4	2.8
eV Global Low Volatility Equity Rank	-	-	-	-	-	-	-	-	-
<b>Hedge Fund of Funds Composite</b>	<b>12.7</b>	<b>-6.8</b>	<b>12.9</b>	<b>10.6</b>	<b>11.1</b>	<b>-2.2</b>	<b>8.8</b>	<b>4.4</b>	<b>1.4</b>
HFRI Fund of Funds Composite Index	6.6	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3
<b>Grosvenor Institutional Partners, L.P.</b>	<b>7.8</b>	<b>-6.0</b>	<b>7.7</b>	<b>17.1</b>	<b>6.0</b>	<b>-1.6</b>	<b>6.1</b>	<b>2.3</b>	<b>-0.3</b>
HFRI Fund of Funds Composite Index	6.6	-5.3	6.2	10.9	8.4	-4.0	7.8	0.5	-0.3
<b>Parametric Defensive Equity Fund LLC</b>	<b>16.8</b>	<b>-7.6</b>	<b>17.7</b>	<b>4.6</b>	<b>16.3</b>	<b>-2.9</b>	<b>11.7</b>	<b>8.2</b>	<b>-</b>
CBOE S&P 500 Covered Combo Index	14.7	-13.8	20.8	-0.2	19.5	-4.9	15.4	7.9	4.3
<b>Real Estate Composite</b>	<b>-5.8</b>	<b>6.1</b>	<b>21.5</b>	<b>1.3</b>	<b>6.2</b>	<b>8.0</b>	<b>8.8</b>	<b>9.2</b>	<b>14.6</b>
NFI-ODCE	-12.6	6.5	21.1	0.3	4.4	7.4	6.7	7.8	14.0
<b>Morgan Stanley Prime Property Fund, LLC</b>	<b>-5.8</b>	<b>6.1</b>	<b>21.5</b>	<b>1.3</b>	<b>6.2</b>	<b>8.0</b>	<b>8.8</b>	<b>9.2</b>	<b>14.6</b>
NFI-ODCE	-12.6	6.5	21.1	0.3	4.4	7.4	6.7	7.8	14.0

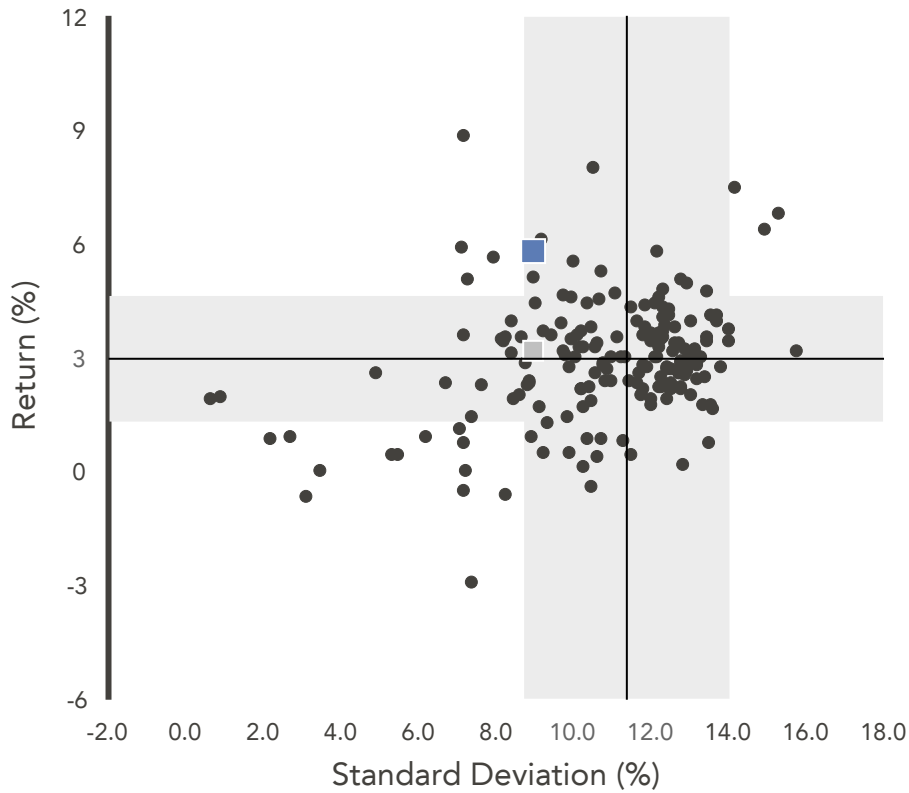
# Endowment

vs. All Endowments-Total Fund

Annualized Risk vs. Return

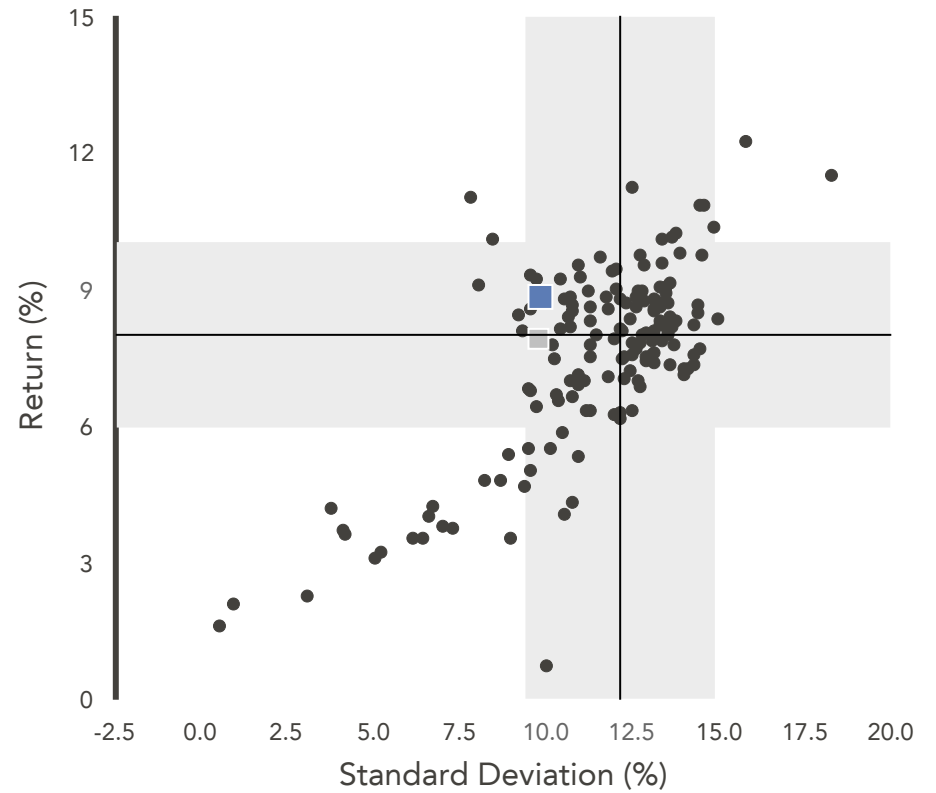
As of December 31, 2023

3 Years



	Return	Standard Deviation
■ Total Fund Composite	5.8	9.0
■ Total Fund Custom Benchmark	3.2	9.0
— Median	3.0	11.4
Population	180	180

5 Years



	Return	Standard Deviation
■ Total Fund Composite	8.9	9.8
■ Total Fund Custom Benchmark	7.9	9.8
— Median	8.0	12.1
Population	159	159

American Bar Endowment

Private Equity Overview (Net of Fees)  
As of December 31, 2023

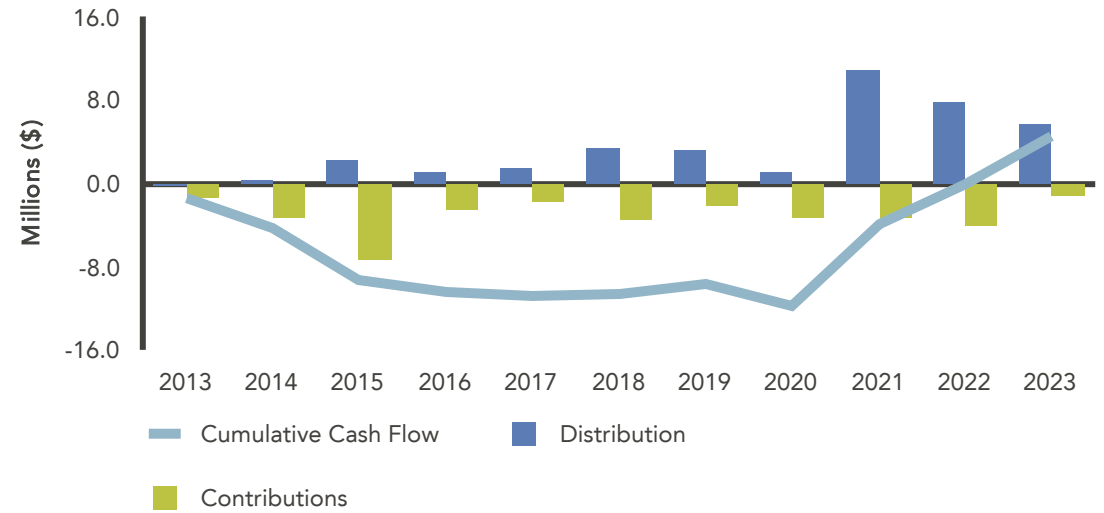
Investments		Commitment (\$)	Cumulative Contributions (\$)	Cumulative Distributions (\$)	Valuations		Performance				
Account Name	Vintage Year				Valuation (\$)	Total Value (\$)	DPI	RVPI	TVPI	SI (%)	
<b>2013</b>											
Levine Leichtman Capital Partners V, L.P.	2013	10,000,000	15,218,931	28,084,382	305,203	28,389,584	1.8	0.0	1.9	16.9	
PIMCO BRAVO Fund II, L.P.	2013	5,000,000	4,375,502	5,588,453	202,372	5,790,825	1.3	0.0	1.3	6.3	
Sub Total		15,000,000	19,594,433	33,672,835	507,575	34,180,409	1.7	0.0	1.7	14.8	
<b>2017</b>											
Levine Leichtman Capital Partners VI-A, L.P.	2017	7,000,000	7,881,682	2,104,244	10,172,963	12,277,208	0.3	1.3	1.6	16.0	
PIMCO BRAVO Fund III Onshore Feeder TE, L.P.	2017	4,000,000	4,000,000	1,937,363	3,923,849	5,861,212	0.5	1.0	1.5	9.6	
Sub Total		11,000,000	11,881,682	4,041,607	14,096,812	18,138,419	0.3	1.2	1.5	13.2	
<b>2021</b>											
PIMCO BRAVO Fund IV Onshore Feeder, L.P.	2021	7,000,000	6,300,000	32,973	5,450,726	5,483,699	0.0	0.9	0.9	-7.3	
Sub Total		7,000,000	6,300,000	32,973	5,450,726	5,483,699	0.0	0.9	0.9	-7.3	
<b>Total</b>		<b>33,000,000</b>	<b>37,776,115</b>	<b>37,747,415</b>	<b>20,055,113</b>	<b>57,802,527</b>	<b>1.0</b>	<b>0.5</b>	<b>1.5</b>	<b>14.4</b>	

Investments		Performance						
Account Name	Vintage Year	1 Year	3 Years	5 Years	Since Inception (%)	PME (%)	Kaplan Schoar	PME Benchmark Name
<b>2013</b>								
Levine Leichtman Capital Partners V, L.P.	2013	10.0	38.6	25.7	16.9	13.2	1.1	Russell 3000 Index
PIMCO BRAVO Fund II, L.P.	2013	-6.6	3.5	0.8	6.3	2.4	1.2	Blmbg. U.S. Aggregate Index
Sub Total		9.0	34.6	21.8	14.8	10.9	1.1	
<b>2017</b>								
Levine Leichtman Capital Partners VI-A, L.P.	2017	16.9	20.9	17.7	16.0	11.4	1.1	Russell 3000 Index
PIMCO BRAVO Fund III Onshore Feeder TE, L.P.	2017	12.1	12.0	9.4	9.6	0.5	1.4	Blmbg. U.S. Aggregate Index
Sub Total		15.5	17.5	14.0	13.2	7.2	1.2	
<b>2021</b>								
PIMCO BRAVO Fund IV Onshore Feeder, L.P.	2021	2.0	-	-	-7.3	-2.7	0.9	Blmbg. U.S. Aggregate Index
Sub Total		2.0	-	-	-7.3	-2.7	0.9	
<b>Total</b>		<b>11.0</b>	<b>22.0</b>	<b>17.4</b>	<b>14.4</b>	<b>9.5</b>	<b>1.2</b>	

**Cash Flow Summary**

Capital Committed (\$):	33,000,000
Capital Invested (\$):	34,559,139
Management Fees (\$):	3,216,474
Expenses (\$):	-
Interest (\$):	-
Total Contributions (\$):	37,776,115
Remaining Capital Commitment (\$):	2,072,871
Total Distributions (\$):	37,747,415
Market Value (\$):	20,055,113
Inception Date:	06/30/2013
Inception IRR (%):	15.8
TVPI:	1.5
DPI:	1.0
RVPI:	0.5
PIC:	1.1
Direct Alpha:	2.6
KS-PME:	1.1
ICM/PME:	13.0
PME+ (%):	12.8

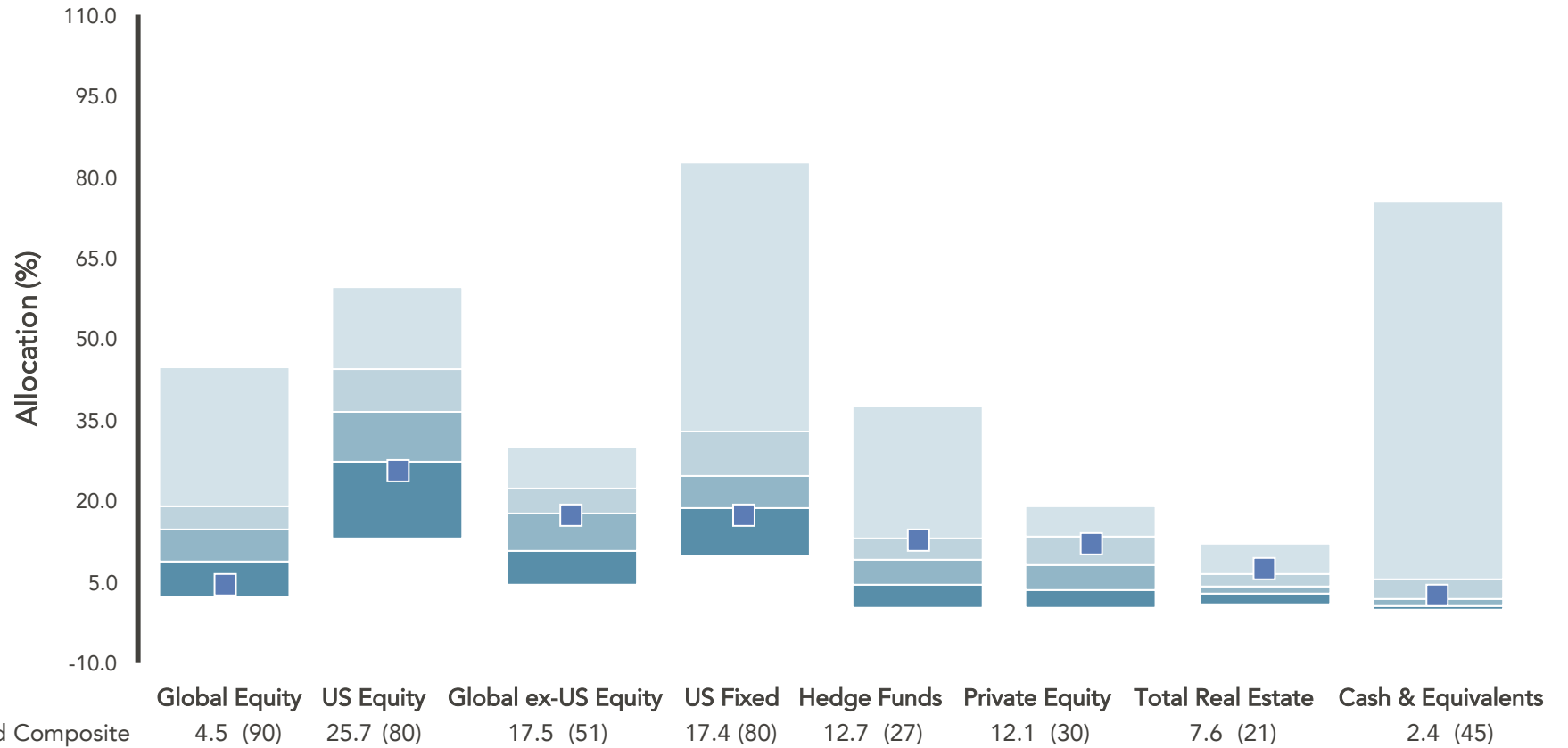
**Cash Flow Analysis**



# Endowment

vs. All Endowments-Total Fund

Asset Allocation  
As of December 31, 2023



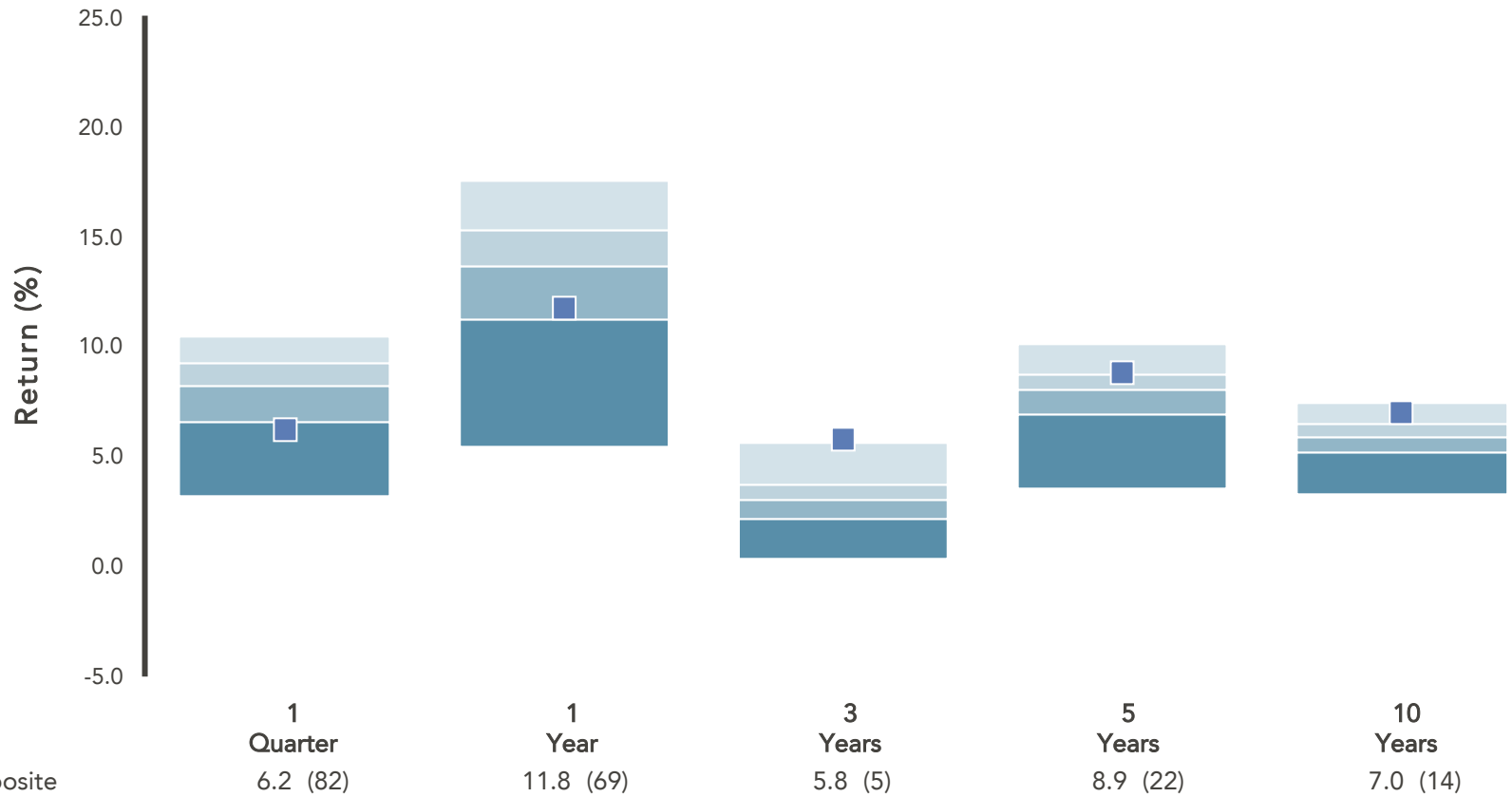
5th Percentile	44.8	59.7	30.0	82.8	37.6	19.0	12.0	75.8
1st Quartile	19.1	44.5	22.5	33.1	13.0	13.6	6.4	5.4
Median	14.7	36.6	17.7	24.6	9.2	8.2	4.1	1.9
3rd Quartile	9.0	27.5	10.8	18.8	4.6	3.7	2.9	0.5
95th Percentile	2.1	13.3	4.7	10.0	0.2	0.4	0.9	0.0
Population	85	353	344	362	122	104	130	341

# Endowment

vs. All Endowments-Total Fund

Annualized Performance (Net of Fees)

As of December 31, 2023



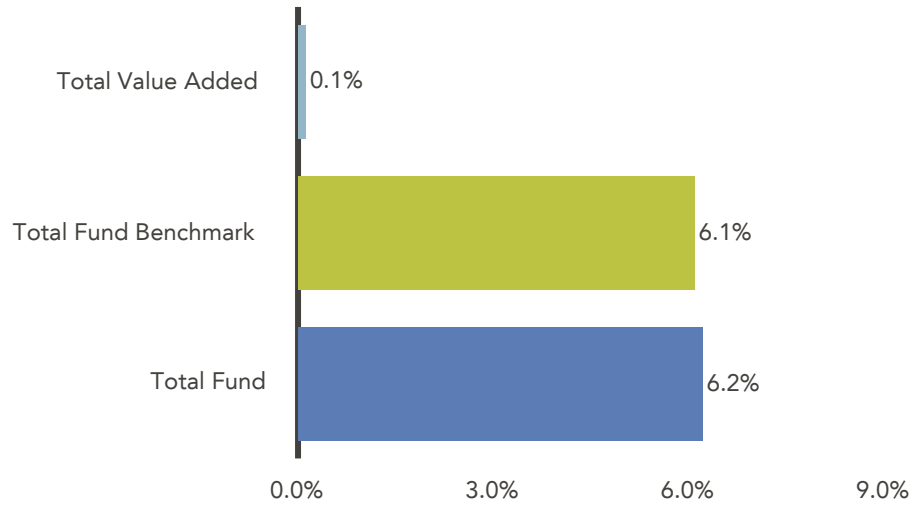
	1 Quarter	1 Year	3 Years	5 Years	10 Years
Total Fund Composite	6.2 (82)	11.8 (69)	5.8 (5)	8.9 (22)	7.0 (14)
5th Percentile	10.4	17.5	5.6	10.2	7.5
1st Quartile	9.3	15.3	3.8	8.8	6.5
Median	8.2	13.7	3.0	8.0	5.9
3rd Quartile	6.6	11.2	2.2	6.9	5.2
95th Percentile	3.3	5.5	0.4	3.6	3.3
Population	234	220	180	159	118



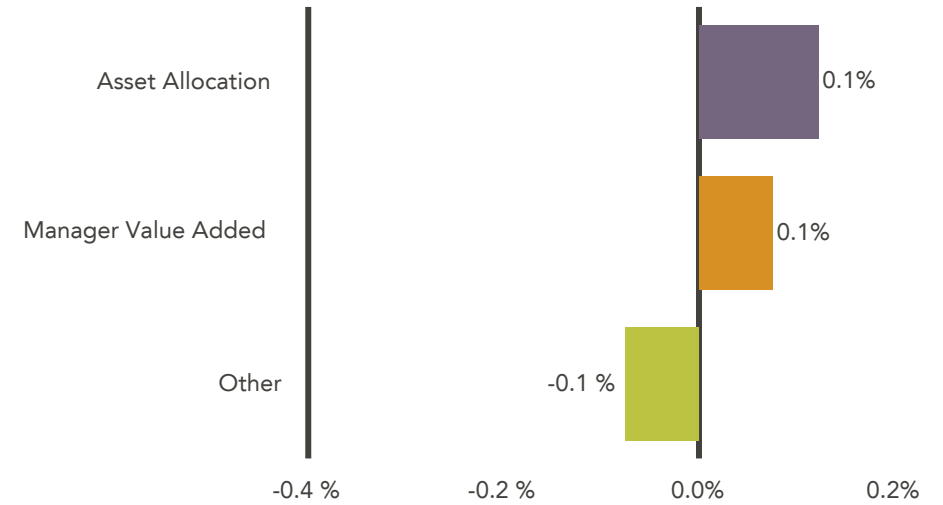
# Endowment

Total Fund Attribution  
1 Quarter Ending December 31, 2023

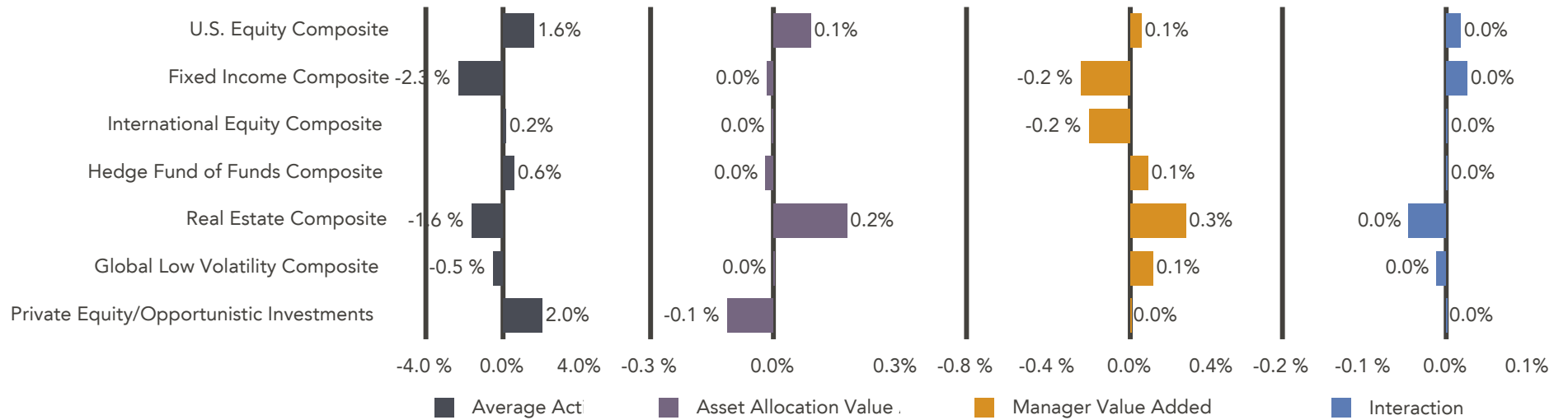
## Total Fund Performance



## Total Value Added: 0.1%



## Total Asset Allocation: 0.1%      Total Manager Val. Added: 0.1%      Total Interaction: 0.0%

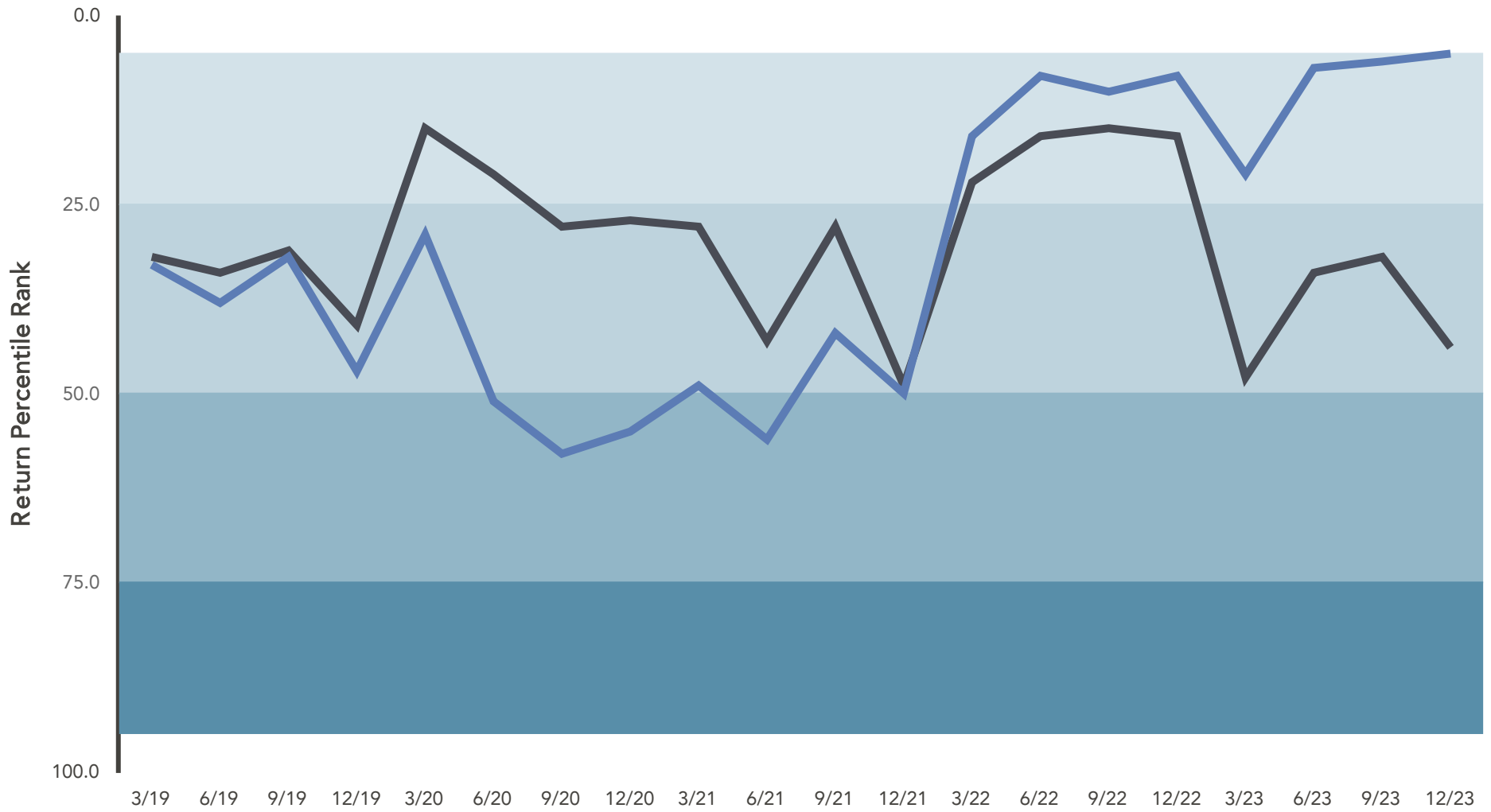


Endowment

All Endowments-Total Fund

Rolling Percentile Rank

Rolling 12 Quarters as of December 31, 2023



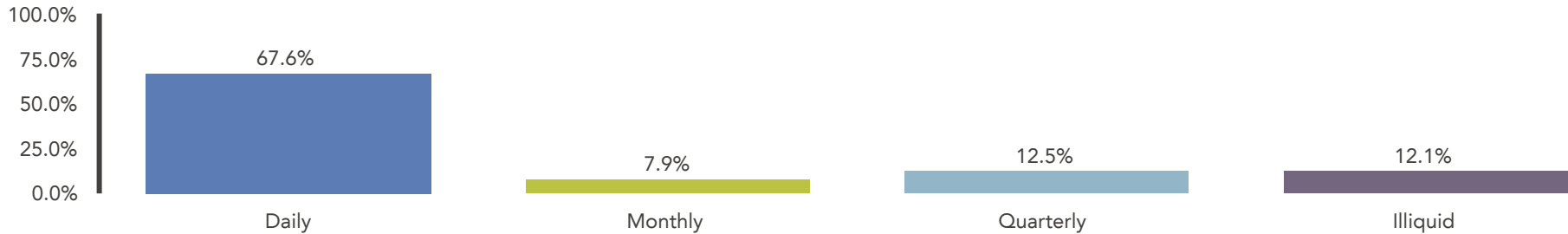
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
— Total Fund Composite	20	8 (40%)	8 (40%)	4 (20%)	0 (0%)
— Total Fund Custom Benchmark	20	6 (30%)	14 (70%)	0 (0%)	0 (0%)

Endowment

Statistics Summary  
3 Years Ending December 31, 2023

	Sharpe Ratio	Tracking Error	Alpha	Beta	R-Squared	Information Ratio	Standard Deviation	Up Capture	Down Capture
Baird Ultra Short Bond	0.3	0.2	0.1	1.1	0.9	1.2	0.9	112.8	93.7
Blmbg. U.S. Short-term Government/Corporate Index	-0.6	0.0	0.0	1.0	1.0	-	0.8	100.0	100.0
Baird Aggregate Bond	-0.7	0.5	0.2	1.0	1.0	0.4	7.3	102.4	100.1
Blmbg. U.S. Aggregate Index	-0.7	0.0	0.0	1.0	1.0	-	7.1	100.0	100.0
Northern Trust Aggregate Bond Index	-0.8	0.6	-0.1	1.0	1.0	0.0	7.0	98.2	98.8
Blmbg. U.S. Aggregate Index	-0.7	0.0	0.0	1.0	1.0	-	7.1	100.0	100.0
NT Russell 2000 Equity Index	0.1	0.3	0.0	1.0	1.0	-0.1	21.1	99.7	99.7
Russell 2000 Index	0.1	0.0	0.0	1.0	1.0	-	21.1	100.0	100.0
Dodge & Cox International Stock Fund	0.3	3.9	0.4	1.1	1.0	0.2	17.1	114.9	115.6
MSCI AC World ex USA Value (Net)	0.3	0.0	0.0	1.0	1.0	-	15.6	100.0	100.0
Northern Trust ACWI ex-US Equity Index	0.0	2.0	0.0	1.0	1.0	0.0	16.9	105.4	105.6
MSCI AC World ex USA (Net)	0.0	0.0	0.0	1.0	1.0	-	16.1	100.0	100.0
Goldman Sachs International Small Cap Insights	0.1	3.9	2.6	0.9	1.0	0.7	17.5	100.0	89.8
MSCI EAFE Small Cap (Net)	-0.1	0.0	0.0	1.0	1.0	-	18.0	100.0	100.0
Grosvenor Institutional Partners, L.P.	0.2	4.6	1.1	0.8	0.4	0.1	5.8	88.3	68.3
HFRI Fund of Funds Composite Index	0.1	0.0	0.0	1.0	1.0	-	4.3	100.0	100.0
Parametric Defensive Equity Fund LLC	0.7	3.5	3.3	0.8	0.9	0.5	9.3	89.3	70.6
CBOE S&P 500 Covered Combo Index	0.4	0.0	0.0	1.0	1.0	-	11.3	100.0	100.0
Morgan Stanley Prime Property Fund, LLC	0.5	2.8	3.1	0.9	0.9	0.9	8.4	95.2	52.2
NFI-ODCE	0.2	0.0	0.0	1.0	1.0	-	9.3	100.0	100.0

Liquidity Schedule Summary



Investments	Inception	Subscriptions	Redemptions	Market Value	Daily	Monthly	Quarterly	Illiquid
Baird Ultra Short Bond	06/12/2020	Daily	Daily	7,438,754	7,438,754	-	-	-
Baird Aggregate Bond	12/30/2014	Daily	Daily	11,296,780	11,296,780	-	-	-
Northern Trust Aggregate Bond Index	10/29/2014	Daily	Daily	10,162,973	10,162,973	-	-	-
Rhumblin S&P 500 Index	12/30/2022	Daily	Daily	30,849,648	30,849,648	-	-	-
NT Russell 2000 Equity Index	12/31/2007	Daily	Daily	11,689,821	11,689,821	-	-	-
Dodge & Cox International Stock Fund	08/01/2008	Daily	Daily	12,015,031	12,015,031	-	-	-
Northern Trust ACWI ex-US Equity Index	09/11/2008	Daily	Daily	12,477,603	12,477,603	-	-	-
Goldman Sachs International Small Cap Insights	12/29/2016	Daily	Daily	4,517,153	4,517,153	-	-	-
MFS Low Volatility Global Equity Fund	01/31/2023	Daily	Daily	7,510,037	7,510,037	-	-	-
Grosvenor Institutional Partners, L.P.	04/01/2009	Quarterly	Quarterly	8,076,610	-	-	8,076,610	-
Parametric Defensive Equity Fund LLC	08/28/2015	Monthly	Monthly	13,001,165	-	13,001,165	-	-
Morgan Stanley Prime Property Fund, LLC	12/30/2010	Quarterly	Quarterly	12,558,748	-	-	12,558,748	-
Levine Leichtman Capital Partners V, LP	03/01/2013	Illiquid	Illiquid	305,203	-	-	-	305,203
Levine Leichtman Capital Partners VI, LP	12/31/2017	Illiquid	Illiquid	10,172,963	-	-	-	10,172,963
PIMCO BRAVO Fund Onshore Feeder II, LP	12/16/2013	Illiquid	Illiquid	202,372	-	-	-	202,372
PIMCO BRAVO Fund III Onshore Feeder TE	11/16/2017	Illiquid	Illiquid	3,923,849	-	-	-	3,923,849
PIMCO BRAVO Fund IV Onshore Feeder, LP	12/23/2021	Illiquid	Illiquid	5,450,726	-	-	-	5,450,726
Northern Trust Money Market	11/14/2013	Daily	Daily	3,983,168	3,983,168	-	-	-
<b>Total (\$)</b>				<b>165,632,603</b>	<b>111,940,968</b>	<b>13,001,165</b>	<b>20,635,358</b>	<b>20,055,113</b>
<b>Total (%)</b>				<b>100.0</b>	<b>67.6</b>	<b>7.9</b>	<b>12.5</b>	<b>12.1</b>

## Endowment

Fee Schedule  
As of December 31, 2023

Asset Class	Investment Manager	Fee Schedule	Est. Annual Fee <sup>1</sup>	Expense Ratio	Industry Median <sup>2</sup>
Short-Term Fixed Income	Baird Ultra Short Bond	0.15% on the Balance	\$10,966	0.15%	0.50%
Core Fixed Income	Baird Aggregate Bond	0.30% on the Balance	\$31,614	0.30%	0.30%
Core Fixed Income	Northern Trust Aggregate Bond Index	0.08% on the first \$25 million 0.06% on the next \$25 million 0.02% on the Balance	\$7,615	0.08%	0.30%
Large-Cap Core	Rhumbline S&P 500 Index	0.04% on the Balance	\$11,051	0.04%	0.50%
Small-Cap Core	NT Russell 2000 Equity Index	0.08% on the first \$25 million 0.06% on the next \$25 million 0.02% on the Balance	\$8,201	0.08%	0.80%
Non-U.S. Large-Cap Core	Dodge & Cox International Stock Fund	0.60% on the Balance	\$67,493	0.60%	0.85%
Non-U.S. All-Cap Core	Northern Trust ACWI ex-US Equity Index	0.12% on the Balance	\$13,649	0.12%	0.75%
Non-U.S. Small-Cap Core	Goldman Sachs International Small Cap Insights	0.90% on the Balance	\$36,897	0.90%	1.29%
Global Low-Volatility	MFS Low Volatility Global Equity Fund	0.68% on the Balance	\$46,975	0.68%	0.72%

<sup>1</sup> Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

<sup>2</sup> Source: Marquette Associates Investment Management Fee Study.

# Endowment

Fee Schedule  
As of December 31, 2023

Asset Class	Investment Manager	Fee Schedule	Est. Annual Fee <sup>1</sup>	Expense Ratio	Industry Median <sup>2</sup>
Multi-Strat. Hedge FoF	Grosvenor Institutional Partners, L.P.	1.15% on the first \$25 million 1.00% on the next \$25 million	\$90,743	1.15%	1.00%
Defensive Equity	Parametric Defensive Equity Fund LLC	0.325% on the Balance	\$40,038	0.325%	1.00%
Core Real Estate	Morgan Stanley Prime Property Fund, LLC	0.84% on the Balance Plus 5% Incentive Fee	\$108,970	0.84%	1.00%
Mezz. Private Equity	Levine Leichtman Capital Partners V, LP	1.50% on the Balance Plus 20% Carried Interest after 8% Preferred Return	\$54,779	1.50%	1.50%
Mezz. Private Equity	Levine Leichtman Capital Partners VI, LP	1.75% on Committed Capital Plus 20% Carried Interest after 8% Preferred Return	\$122,500	1.24%	1.07%
Opportunistic Fixed Income	PIMCO BRAVO Fund Onshore Feeder II, LP	1.80% on the Balance Plus 20% Carried Interest after 8% Preferred Return	\$3,508	1.80%	1.75%
Opportunistic Fixed Income	PIMCO BRAVO Fund III Onshore Feeder TE	1.50% on the Balance Plus 20% Carried Interest after 8% Preferred Return	\$53,629	1.50%	1.75%
Opportunistic Fixed Income	PIMCO BRAVO Fund IV Onshore Feeder, LP	1.50% on the Balance Plus 20% Carried Interest after 8% Preferred Return	\$81,938	1.50%	1.75%
<b>Total Investment Management Fees</b>			<b>\$790,565</b>	<b>0.51%</b>	<b>0.81%</b>

<sup>1</sup> Expense Ratio & Estimated Annual Fee are Based on Market Value at Quarter End.

<sup>2</sup> Source: Marquette Associates Investment Management Fee Study.



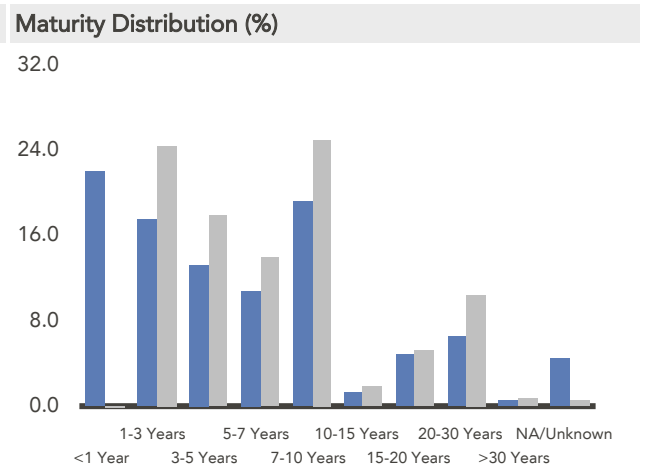
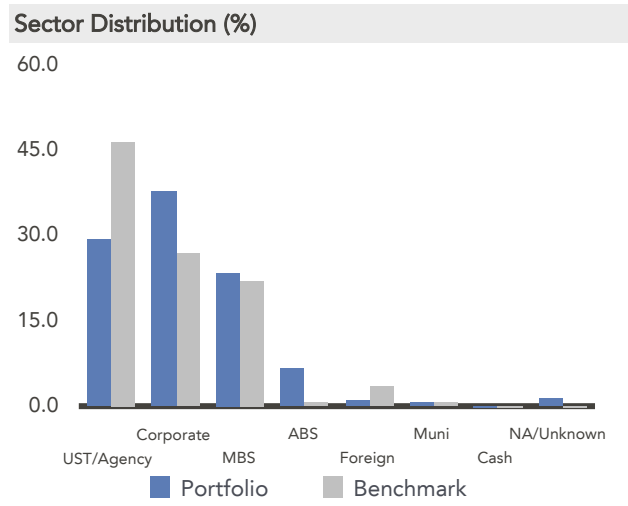
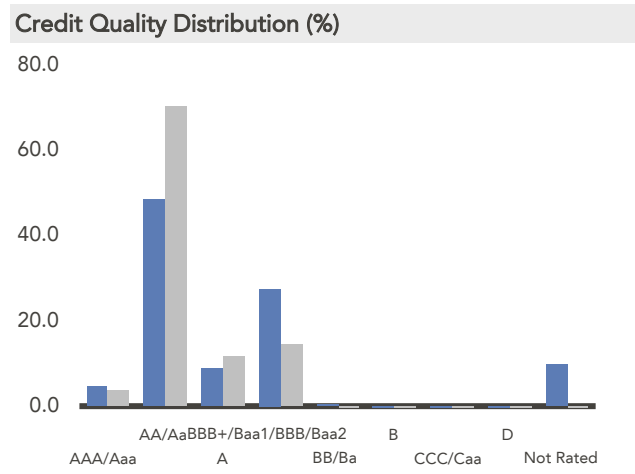
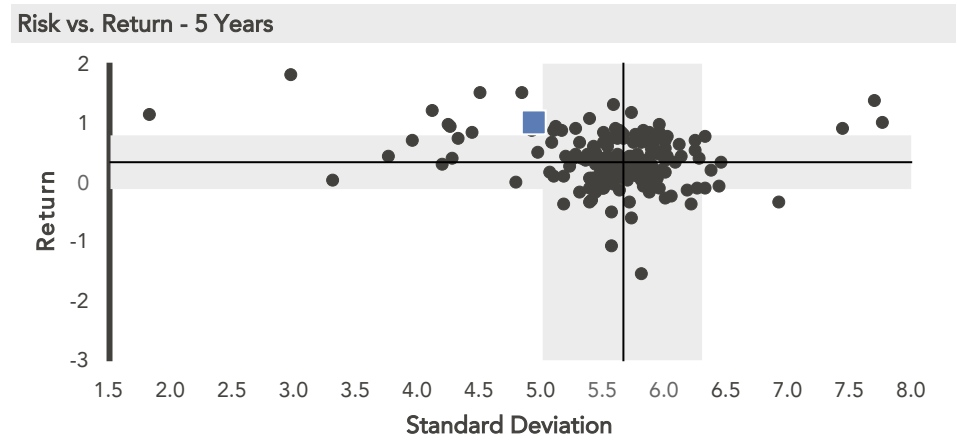
# Fixed Income Composite

# Fixed Income Composite

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
<b>Fixed Income Composite</b>	<b>27,367,191</b>	<b>-1.7</b>	<b>-2.1</b>	<b>2.3</b>	<b>-3.9</b>	<b>1.0</b>	<b>1.5</b>	<b>3.6</b>	<b>Apr 03</b>
Blmbg. U.S. Aggregate Float Adjusted		-2.5	-3.1	0.8	-5.2	0.2	1.2	-	
Fixed Income Composite Rank		6	10	11	12	6	27	9	

Portfolio Characteristics	Portfolio	Blmbg. U.S. Aggregate Float Adjusted
Avg. Maturity (yrs.)	6.4	8.4
Avg. Quality	A	AA
Coupon Rate (%)	3.1	3.1
Modified Duration (yrs.)	4.6	6.0
Effective Duration (yrs.)	4.7	6.0
Yield To Maturity (%)	5.7	5.4
Yield To Worst (%)	5.7	5.4



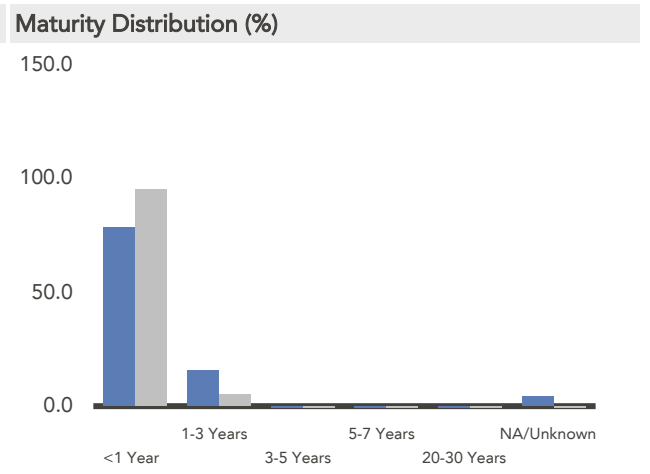
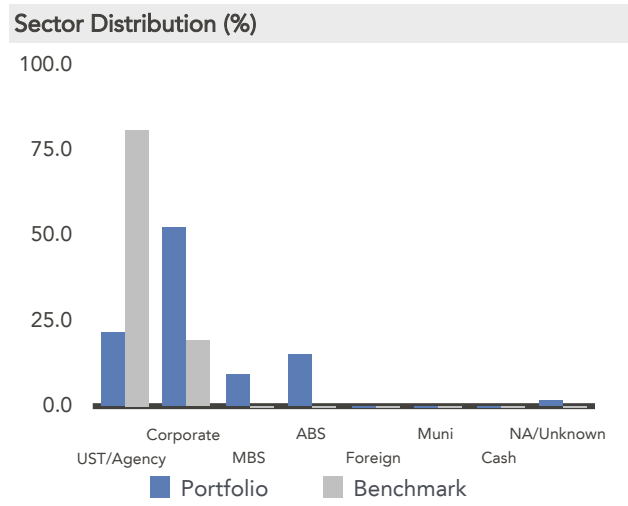
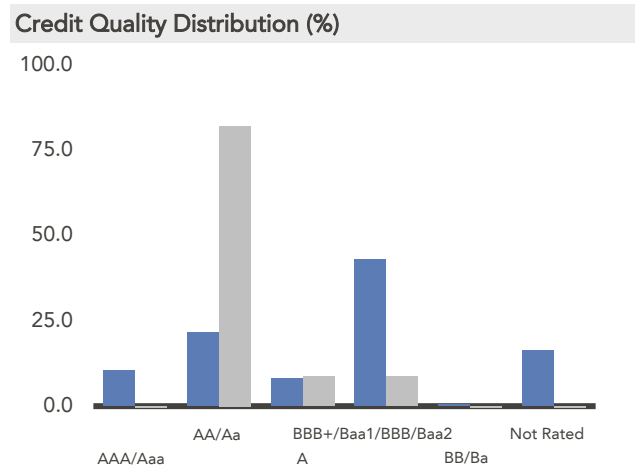
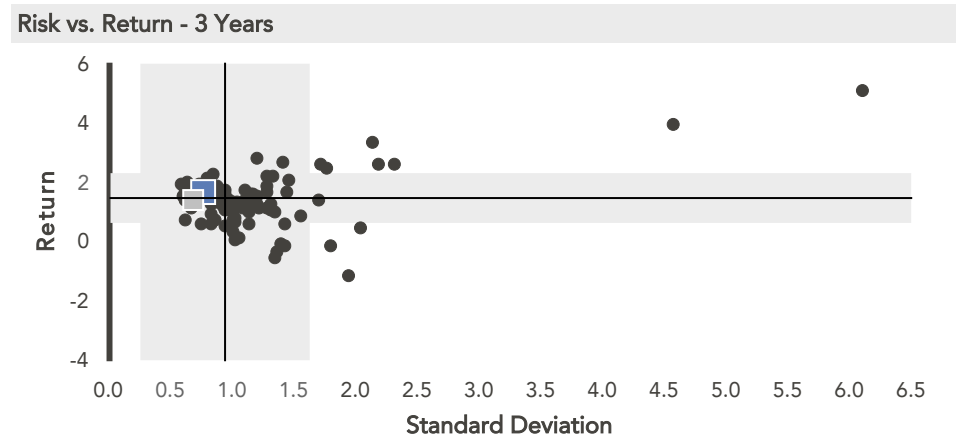


# Baird Ultra Short Bond

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Baird Ultra Short Bond	7,310,410	0.4	1.4	5.0	1.7	-	-	1.7	Jul 20
Blmbg. U.S. Short-term Govt/Corp Index		0.4	1.3	4.5	1.5	1.8	1.3	1.4	
Baird Ultra Short Bond Rank		38	44	43	29	-	-	35	

Portfolio Characteristics	Portfolio	Blmbg. U.S. Short-term Govt/Corp Index
Avg. Maturity (yrs.)	0.6	0.6
Avg. Quality	A	AA
Coupon Rate (%)	2.7	1.9
Modified Duration (yrs.)	0.5	0.5
Effective Duration (yrs.)	0.5	0.5
Yield To Maturity (%)	6.1	5.5
Yield To Worst (%)	6.1	5.6

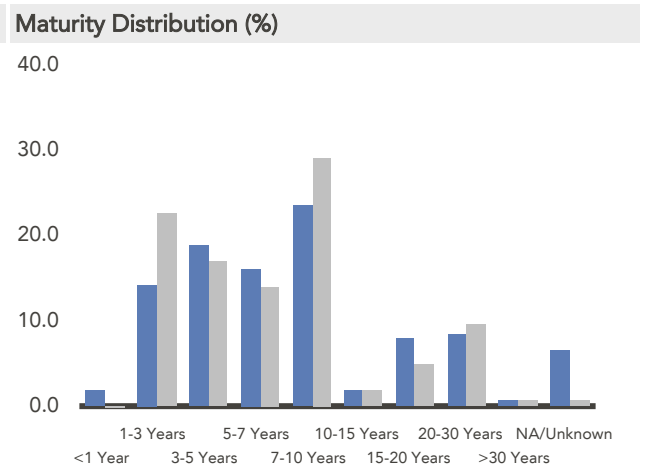
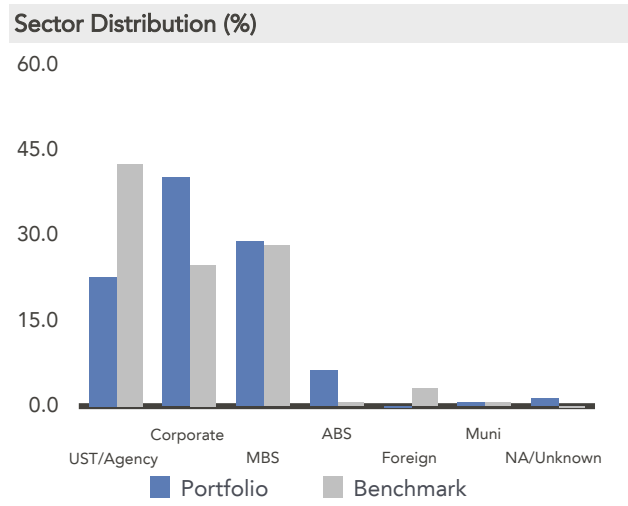
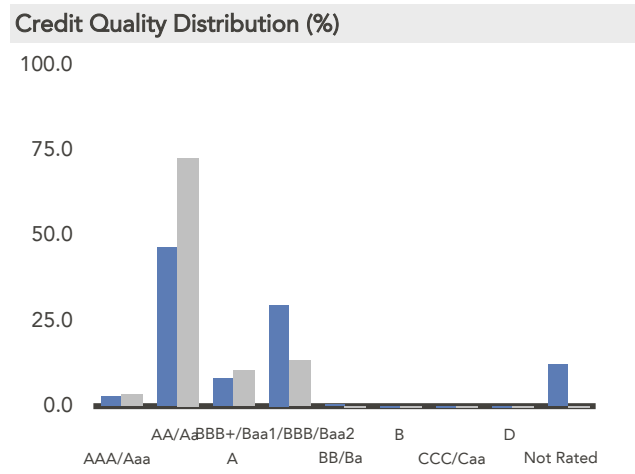
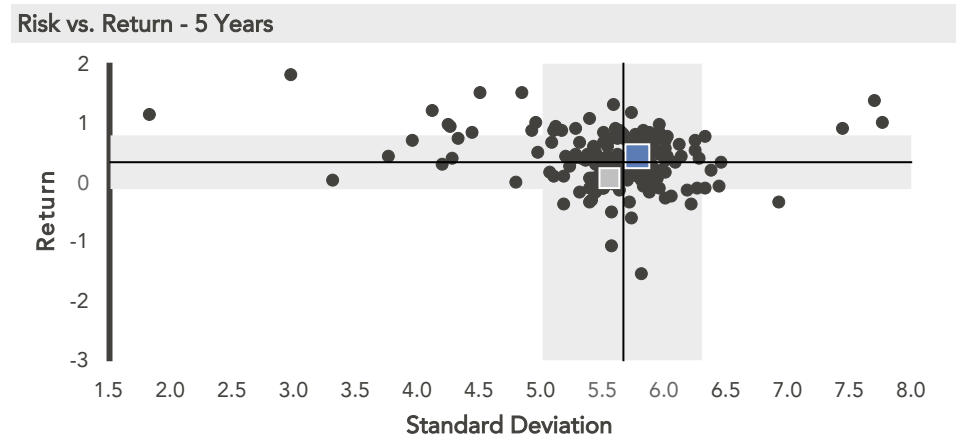


# Baird Aggregate Bond

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Baird Aggregate Bond	10,538,118	-2.5	-3.1	1.4	-5.0	0.4	-	1.0	Jan 15
Blmbg. U.S. Aggregate Index		-2.5	-3.2	0.6	-5.2	0.1	1.1	0.6	
Baird Aggregate Bond Rank		54	46	25	61	40	-	33	

Portfolio Characteristics	Portfolio	Blmbg. U.S. Aggregate Index
Avg. Maturity (yrs.)	8.6	8.4
Avg. Quality	A	AA
Coupon Rate (%)	3.4	3.1
Modified Duration (yrs.)	6.2	5.9
Effective Duration (yrs.)	6.4	6.0
Yield To Maturity (%)	5.8	5.4
Yield To Worst (%)	5.8	5.4

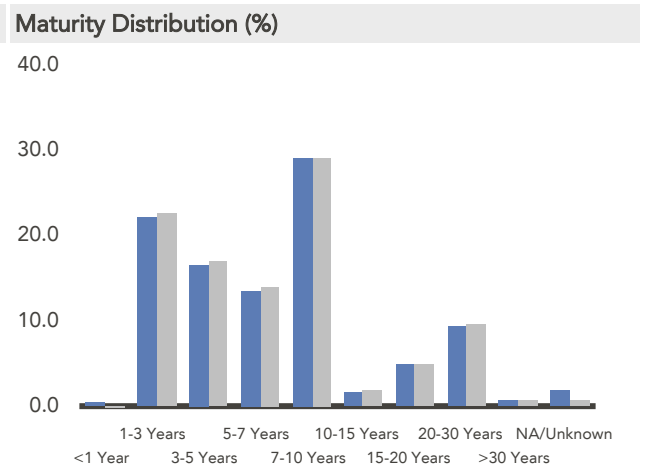
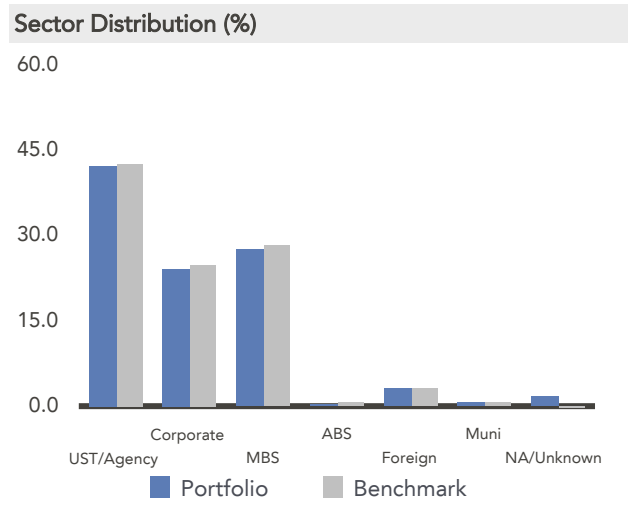
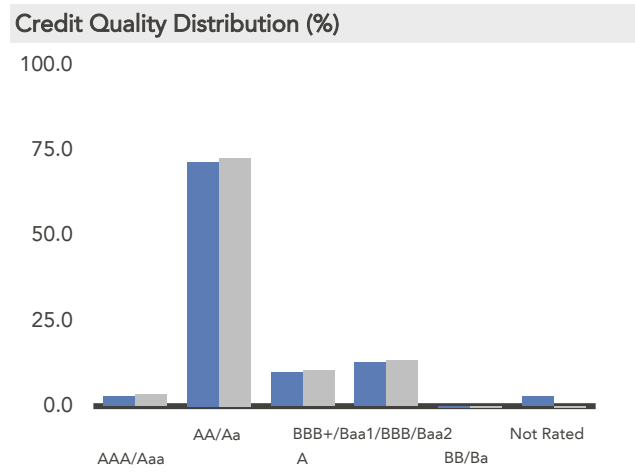
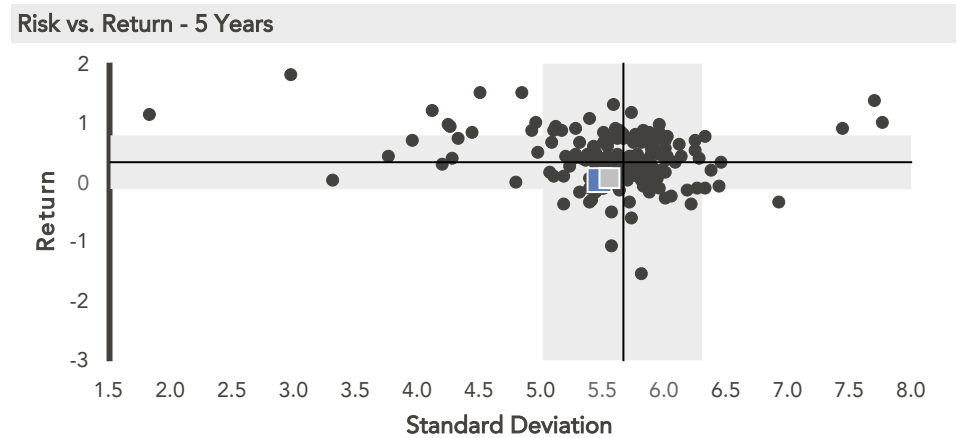


# Northern Trust Aggregate Bond Index

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Northern Trust Aggregate Bond Index	9,518,662	-2.2	-3.5	0.4	-5.3	0.0	-	0.6	Nov 14
Blmbg. U.S. Aggregate Index		-2.5	-3.2	0.6	-5.2	0.1	1.1	0.7	
Northern Trust Aggregate Bond Index Rank		18	87	80	81	83	-	87	

Portfolio Characteristics	Portfolio	Blmbg. U.S. Aggregate Index
Avg. Maturity (yrs.)	8.4	8.4
Avg. Quality	AA	AA
Coupon Rate (%)	3.0	3.1
Modified Duration (yrs.)	6.0	5.9
Effective Duration (yrs.)	6.0	6.0
Yield To Maturity (%)	5.4	5.4
Yield To Worst (%)	5.4	5.4





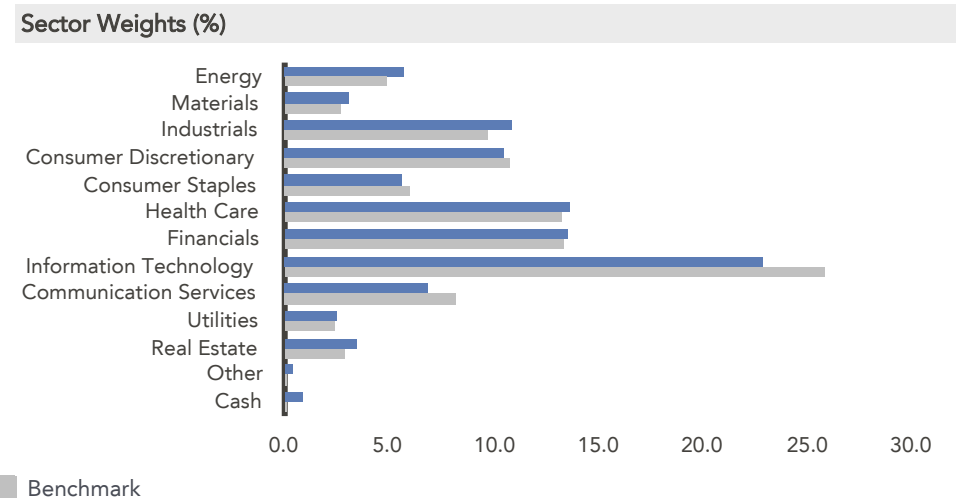
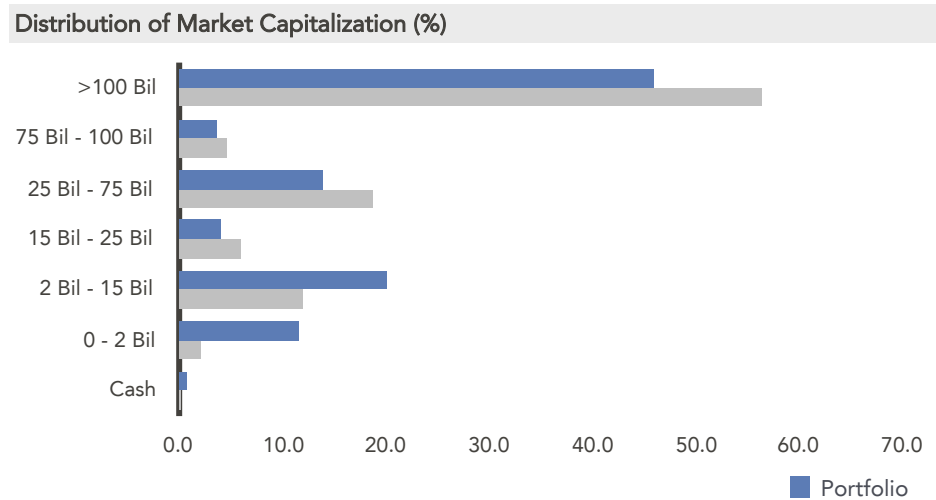
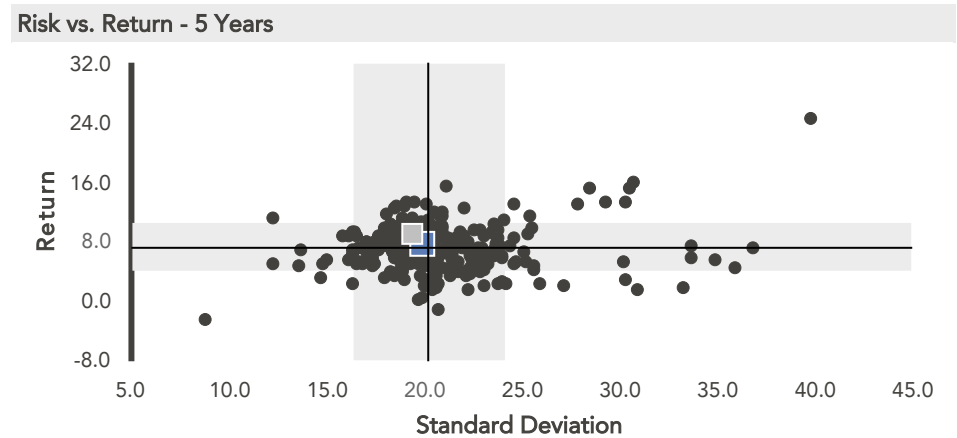
# U.S. Equity Composite

# U.S. Equity Composite

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
<b>U.S. Equity Composite</b>	<b>37,879,336</b>	<b>-5.0</b>	<b>-3.9</b>	<b>17.5</b>	<b>9.2</b>	<b>7.8</b>	<b>10.4</b>	<b>6.7</b>	<b>Nov 99</b>
Russell 3000 Index		-4.8	-3.3	20.5	9.4	9.1	11.3	7.1	
U.S. Equity Composite Rank		65	58	59	45	45	34	88	

Portfolio Characteristics	Portfolio	Russell 3000 Index
Wtd. Avg. Mkt. Cap \$M	\$433,625	\$538,565
Median Mkt. Cap \$M	\$1,244	\$1,846
Price/Earnings ratio	18.5	20.6
Price/Book ratio	3.5	4.0
5 Yr. EPS Growth Rate (%)	17.6	18.1
Current Yield (%)	1.7	1.6
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	2,493	2,994

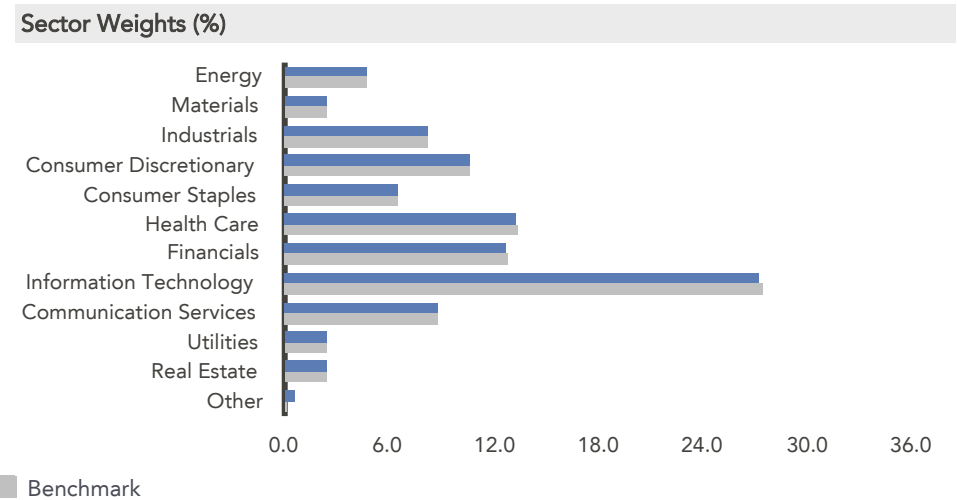
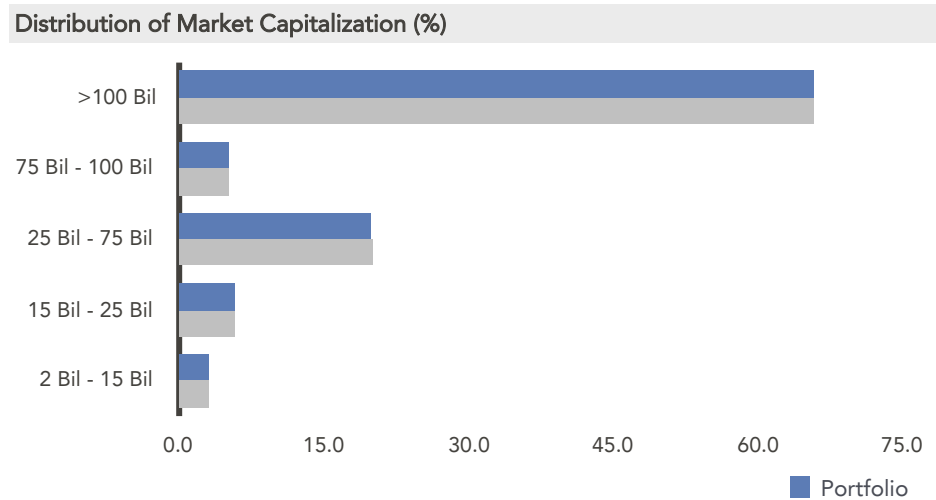
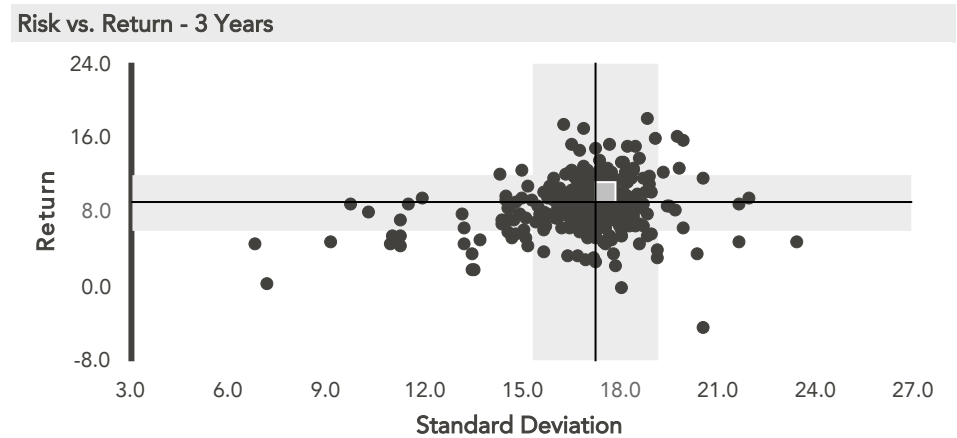


# Rhumbline S&P 500 Index

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Rhumbline S&P 500 Index	27,627,742	-4.8	-3.3	-	-	-	-	13.0	Jan 23
S&P 500 Index		-4.8	-3.3	21.6	10.2	9.9	11.9	13.1	
Rhumbline S&P 500 Index Rank		66	56	-	-	-	-	24	

Portfolio Characteristics	Portfolio	S&P 500 Index
Wtd. Avg. Mkt. Cap \$M	\$621,321	\$622,871
Median Mkt. Cap \$M	\$30,460	\$30,358
Price/Earnings ratio	21.8	21.8
Price/Book ratio	4.3	4.3
5 Yr. EPS Growth Rate (%)	18.2	18.3
Current Yield (%)	1.6	1.6
Beta	-	1.0
Number of Stocks	504	503

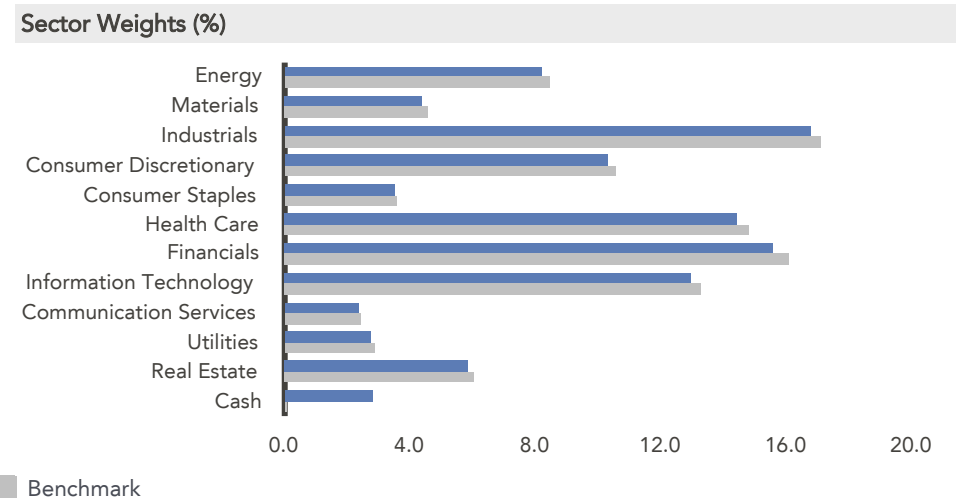
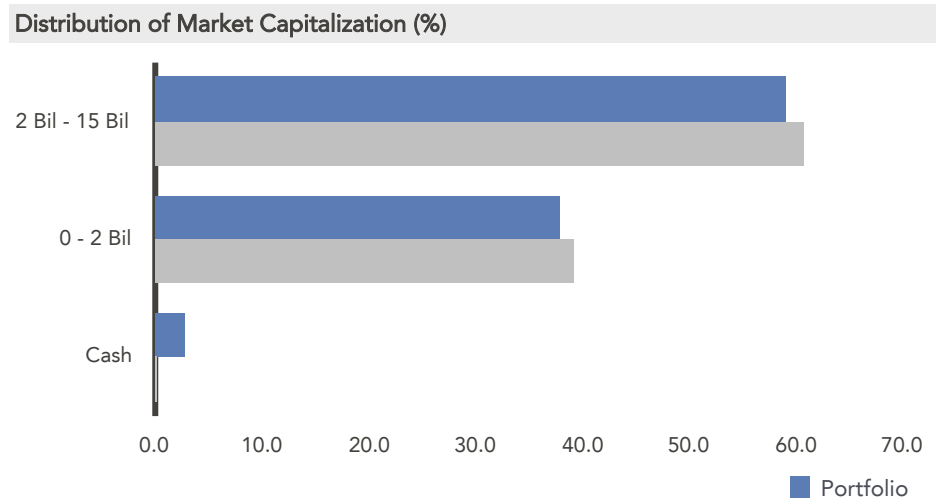
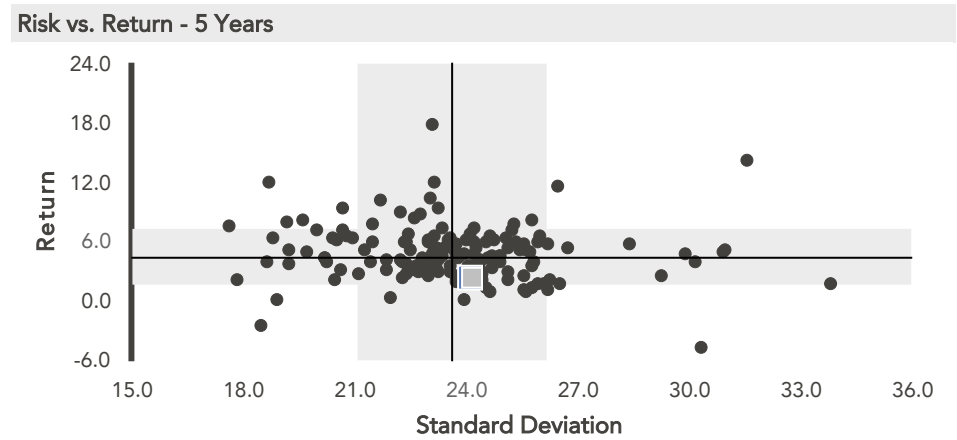


# NT Russell 2000 Equity Index

Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
NT Russell 2000 Equity Index	10,251,593	-5.7	-5.4	8.9	7.1	2.4	6.8	7.7	Jan 04
Russell 2000 Index		-5.9	-5.1	8.9	7.2	2.4	6.6	7.5	
NT Russell 2000 Equity Index Rank		61	71	79	82	87	76	84	

Portfolio Characteristics	Portfolio	Russell 2000 Index
Wtd. Avg. Mkt. Cap \$M	\$2,731	\$2,803
Median Mkt. Cap \$M	\$839	\$839
Price/Earnings ratio	12.5	12.5
Price/Book ratio	2.3	2.3
5 Yr. EPS Growth Rate (%)	15.4	15.4
Current Yield (%)	1.7	1.7
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	1,989	1,985





## International Equity Composite

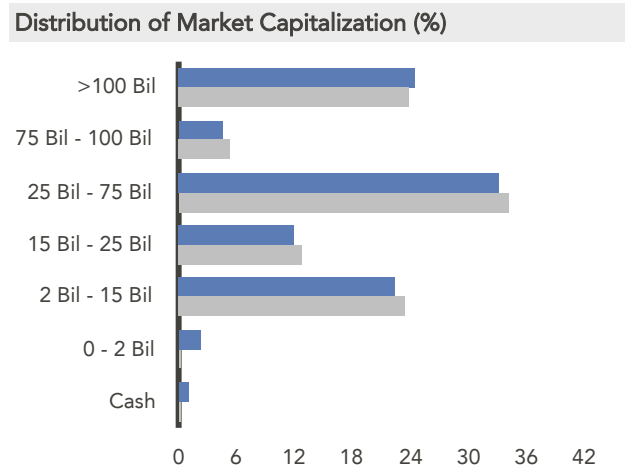
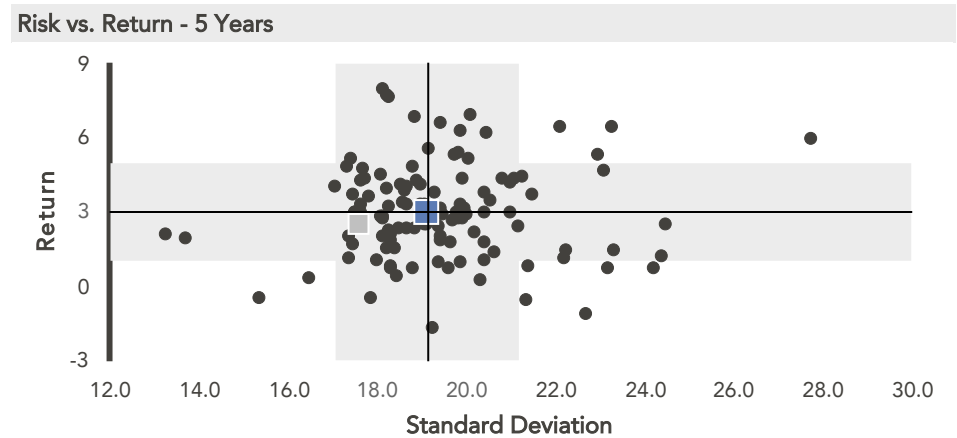


# International Equity Composite

Portfolio Characteristics  
As of September 30, 2023

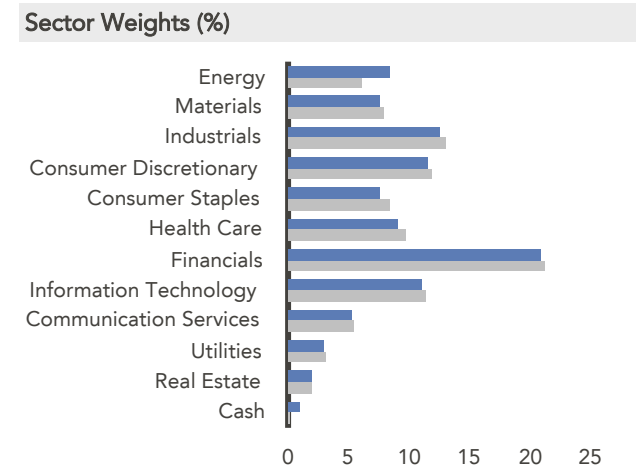
	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
<b>International Equity Composite</b>	<b>26,722,239</b>	<b>-2.9</b>	<b>-2.5</b>	<b>23.5</b>	<b>6.7</b>	<b>3.1</b>	<b>3.6</b>	<b>3.3</b>	<b>Nov 99</b>
MSCI AC World ex USA (Net)		-3.2	-3.8	20.4	3.7	2.6	3.3	4.0	
International Equity Composite Rank		21	24	26	25	49	73	100	

Portfolio Characteristics	Portfolio	MSCI AC World ex USA (Net)
Wtd. Avg. Mkt. Cap \$M	\$80,517	\$82,288
Median Mkt. Cap \$M	\$7,032	\$8,822
Price/Earnings ratio	12.5	12.8
Price/Book ratio	2.3	2.4
5 Yr. EPS Growth Rate (%)	10.7	10.5
Current Yield (%)	3.4	3.4
Beta (5 Years, Monthly)	1.1	1.0
Number of Stocks	2,735	2,320



Region (%)	Portfolio	Benchmark
Canada	7.4	7.6
United States	1.4	0.2
Europe	40.5	41.8
Asia Pacific	24.9	25.4
<b>Developed Markets</b>	<b>74.1</b>	<b>75.0</b>
Americas	2.4	2.4
Europe	0.6	0.6
Asia Pacific	18.1	18.5
<b>Emerging Markets</b>	<b>21.1</b>	<b>21.5</b>
Cash	1.0	0.0
Other	3.8	3.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

■ Portfolio ■ Benchmark



## International Equity Composite

International Equity Composite	
Canada	7.4
United States	1.4
Austria	0.1
Belgium	0.5
Denmark	2.0
Finland	0.7
France	7.0
Germany	5.2
Ireland	0.6
Italy	1.4
Luxembourg	0.1
Netherlands	4.7
Norway	0.5
Portugal	0.1
Spain	1.7
Sweden	1.8
Switzerland	6.6
United Kingdom	7.4
<b>Europe</b>	<b>40.5</b>
Australia	4.4
Hong Kong	5.0
Japan	14.5
New Zealand	0.2
Singapore	0.9
<b>Asia Pacific</b>	<b>24.9</b>
<b>Developed Markets</b>	<b>74.1</b>

## Country Allocation As of September 30, 2023

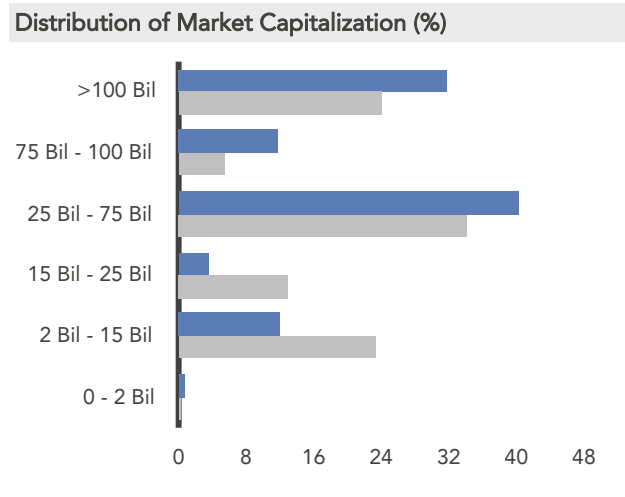
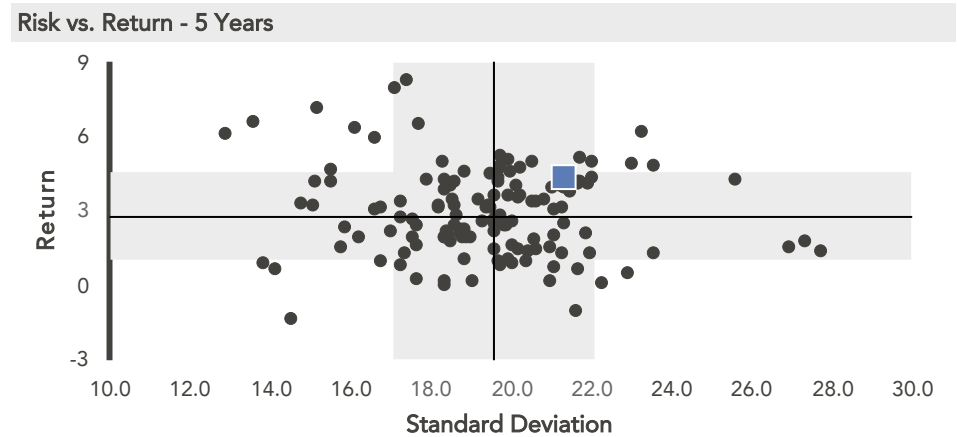
International Equity Composite	
Brazil	1.5
Chile	0.1
Colombia	0.0
Mexico	0.7
Peru	0.0
<b>Americas</b>	<b>2.4</b>
Czech Republic	0.0
Greece	0.1
Hungary	0.1
Poland	0.2
Turkey	0.2
<b>Europe</b>	<b>0.6</b>
China	4.6
India	4.4
Indonesia	0.5
Korea	3.4
Malaysia	0.4
Philippines	0.2
Taiwan	4.1
Thailand	0.7
<b>Asia Pacific</b>	<b>18.1</b>
<b>Emerging Markets</b>	<b>21.1</b>

# Dodge & Cox International Stock Fund

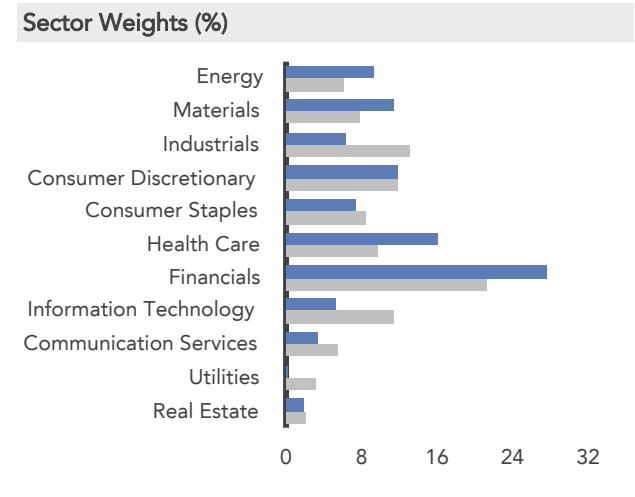
Portfolio Characteristics  
As of September 30, 2023

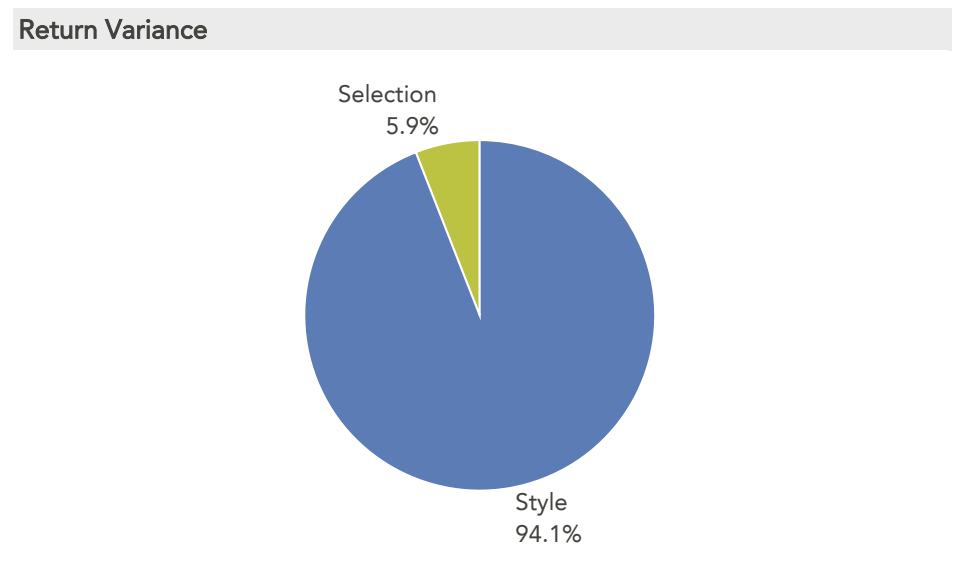
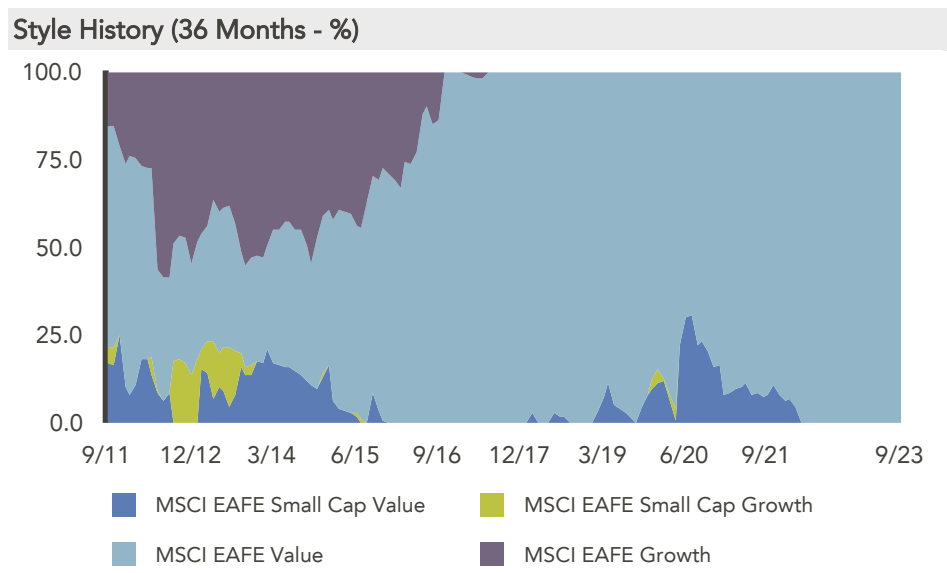
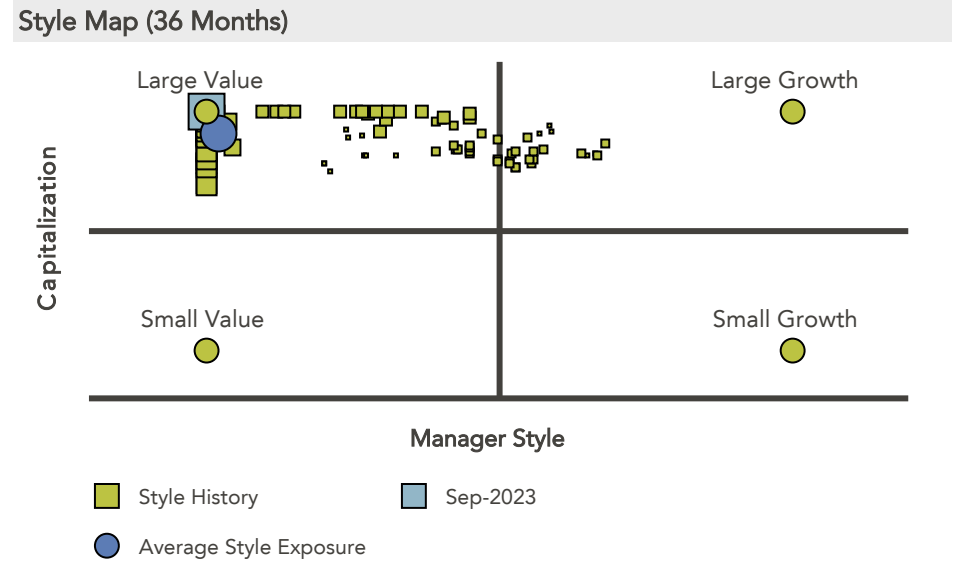
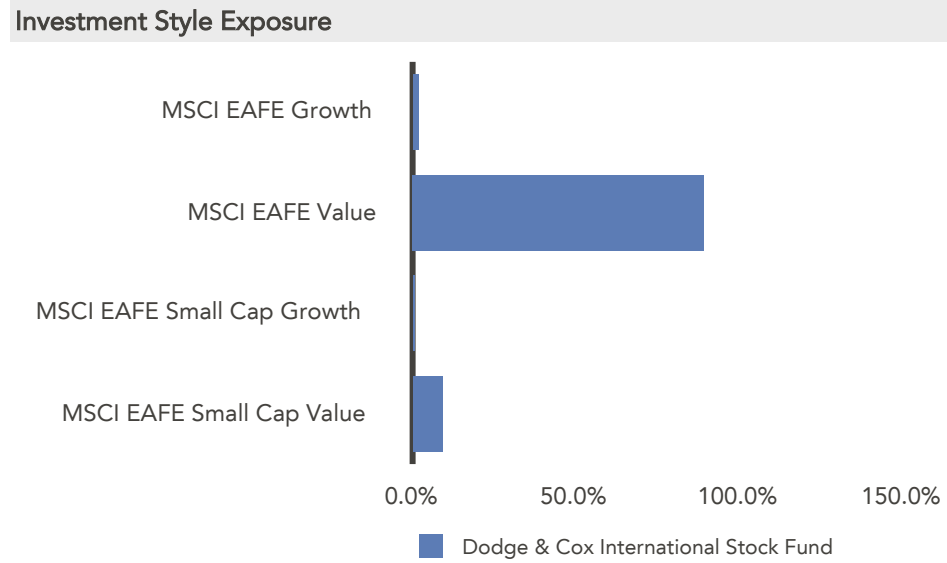
	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Dodge & Cox International Stock Fund	11,248,785	-2.7	-1.3	26.7	12.1	4.4	4.1	4.1	Aug 08
MSCI AC World ex USA (Net)		-3.2	-3.8	20.4	3.7	2.6	3.3	2.8	
Dodge & Cox International Stock Fund Rank		60	33	60	20	19	18	14	

Portfolio Characteristics	Portfolio	MSCI AC World ex USA (Net)
Wtd. Avg. Mkt. Cap \$M	\$119,830	\$82,288
Median Mkt. Cap \$M	\$38,626	\$8,822
Price/Earnings ratio	9.3	12.8
Price/Book ratio	2.1	2.4
5 Yr. EPS Growth Rate (%)	20.3	10.5
Current Yield (%)	2.1	3.4
Beta (5 Years, Monthly)	1.1	1.0
Number of Stocks	71	2,320



Region (%)	Portfolio
Canada	5.9
United States	3.0
Europe	63.2
Asia Pacific	12.1
<b>Developed Markets</b>	<b>84.3</b>
Americas	3.6
Asia Pacific	11.1
<b>Emerging Markets</b>	<b>14.7</b>
Other	1.0
<b>Total</b>	<b>100.0</b>



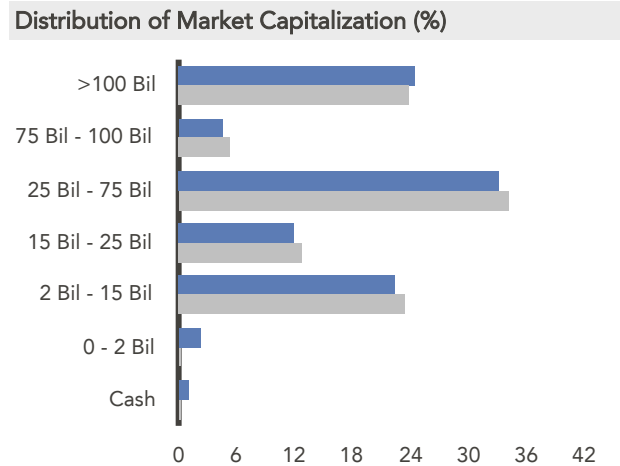
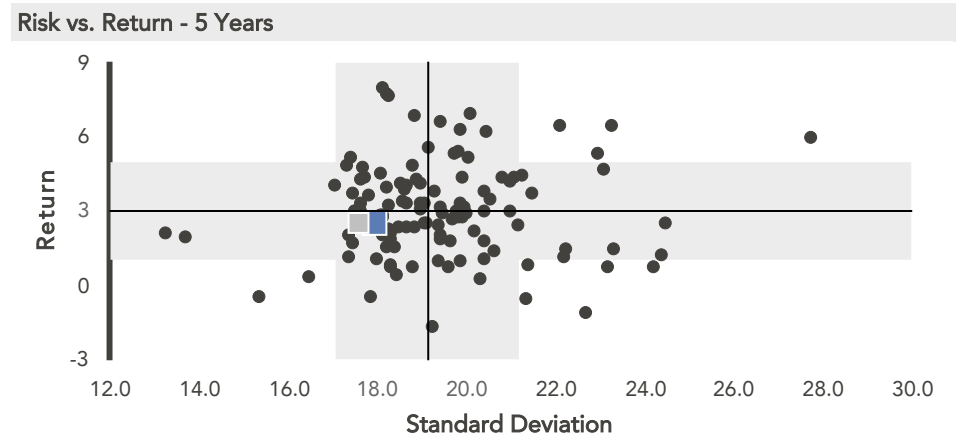


# Northern Trust ACWI ex-US Equity Index

Portfolio Characteristics  
As of September 30, 2023

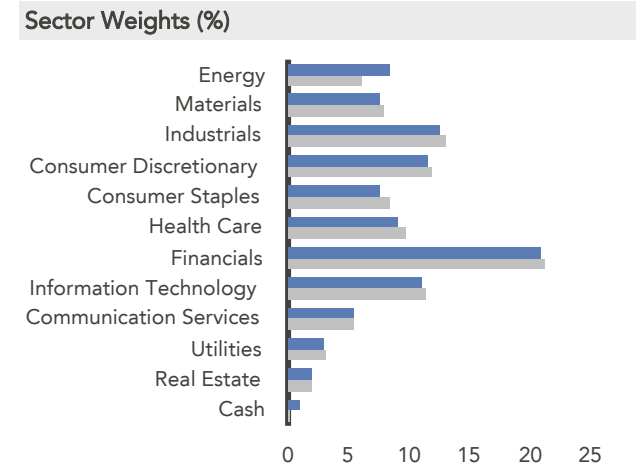
	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Northern Trust ACWI ex-US Equity Index	11,373,791	-3.2	-3.8	21.1	3.7	2.6	3.4	4.3	Oct 08
MSCI AC World ex USA (Net)		-3.2	-3.8	20.4	3.7	2.6	3.3	4.3	
Northern Trust ACWI ex-US Equity Index Rank		28	33	46	46	59	83	81	

Portfolio Characteristics	Portfolio	MSCI AC World ex USA (Net)
Wtd. Avg. Mkt. Cap \$M	\$80,414	\$82,288
Median Mkt. Cap \$M	\$8,844	\$8,822
Price/Earnings ratio	12.6	12.8
Price/Book ratio	2.3	2.4
5 Yr. EPS Growth Rate (%)	10.6	10.5
Current Yield (%)	3.4	3.4
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	2,276	2,320



Region (%)	Portfolio	Benchmark
Canada	7.4	7.6
United States	1.3	0.2
Europe	40.3	41.8
Asia Pacific	24.9	25.4
<b>Developed Markets</b>	<b>74.0</b>	<b>75.0</b>
Americas	2.4	2.4
Europe	0.6	0.6
Asia Pacific	18.2	18.5
<b>Emerging Markets</b>	<b>21.2</b>	<b>21.5</b>
Cash	1.0	0.0
Other	3.8	3.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

■ Portfolio ■ Benchmark

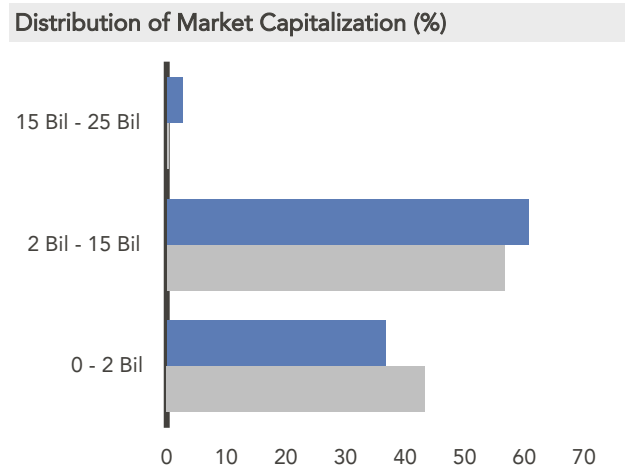
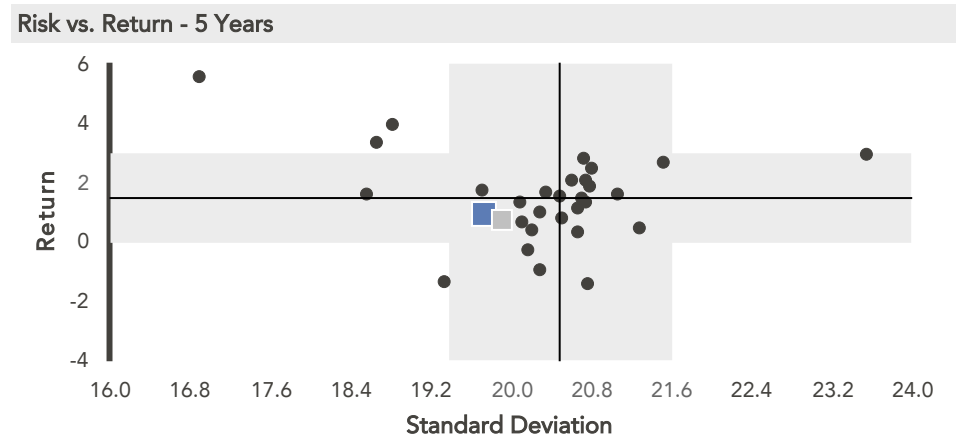


# Goldman Sachs International Small Cap Insights

Portfolio Characteristics  
As of September 30, 2023

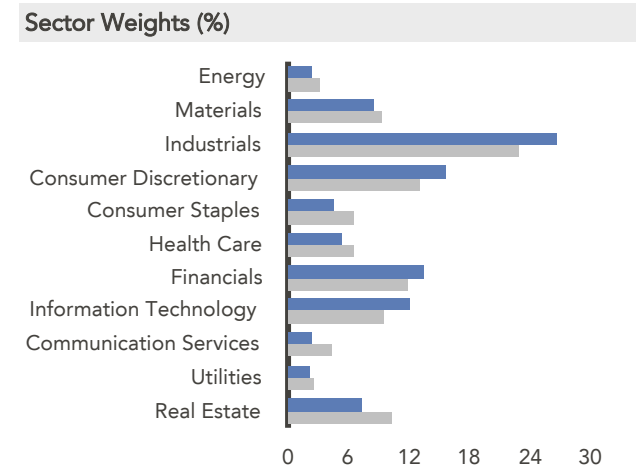
	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
Goldman Sachs International Small Cap Insights	4,099,663	-2.5	-1.7	21.8	2.6	1.0	-	4.7	Jan 17
MSCI EAFE Small Cap (Net)		-4.4	-3.5	17.9	1.1	0.8	4.3	4.6	
Goldman Sachs International Small Cap Insights Rank		3	6	17	62	69	-	40	

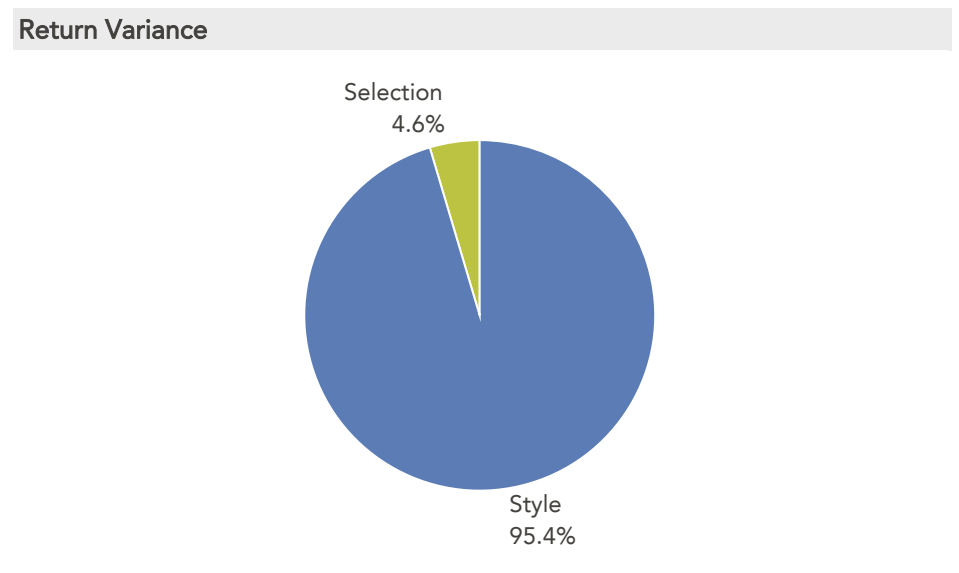
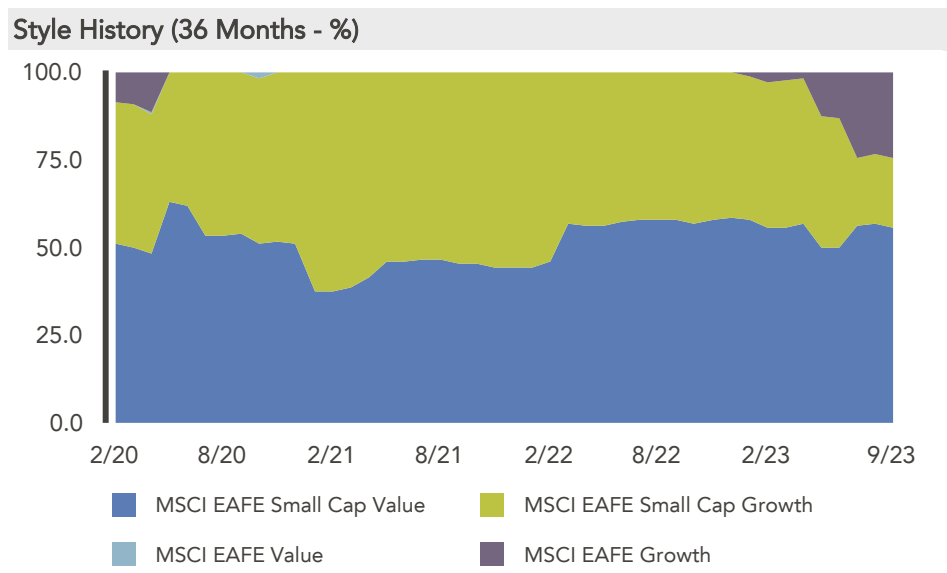
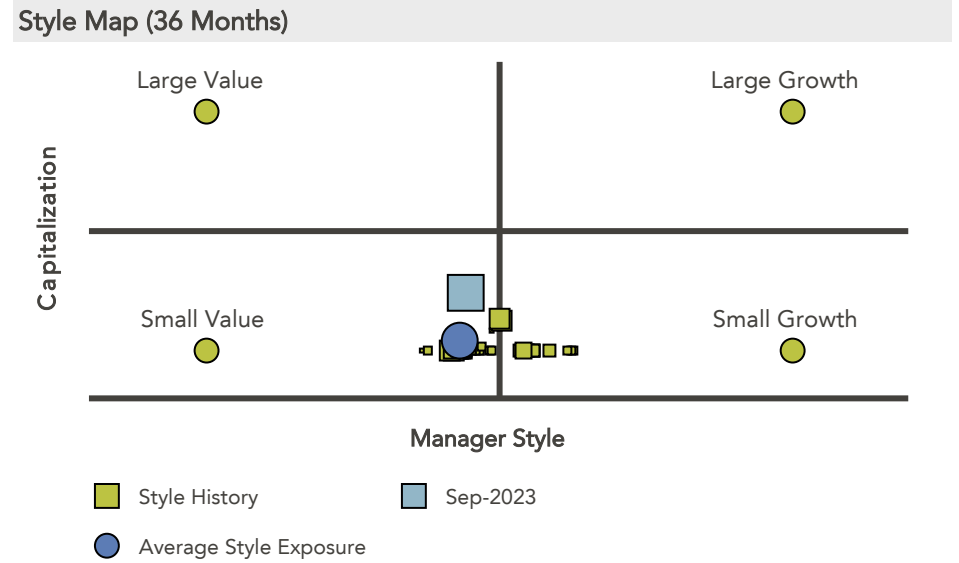
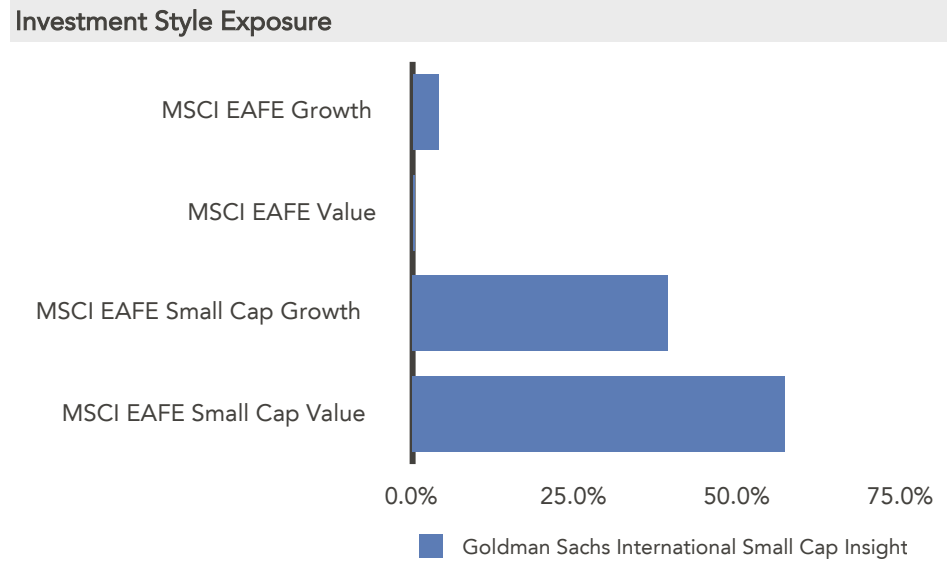
Portfolio Characteristics	Portfolio	MSCI EAFE Small Cap (Net)
Wtd. Avg. Mkt. Cap \$M	\$3,351	\$2,570
Median Mkt. Cap \$M	\$1,861	\$1,112
Price/Earnings ratio	10.2	12.9
Price/Book ratio	1.9	2.0
5 Yr. EPS Growth Rate (%)	10.6	8.6
Current Yield (%)	4.0	3.4
Beta (5 Years, Monthly)	1.0	1.0
Number of Stocks	421	2,227



Region (%)	Portfolio	Benchmark
United States	1.2	0.4
Europe	48.6	48.4
Asia Pacific	47.2	47.7
<b>Developed Markets</b>	<b>97.0</b>	<b>96.5</b>
Asia Pacific	0.0	0.2
<b>Emerging Markets</b>	<b>0.0</b>	<b>0.2</b>
Other	3.0	3.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

■ Portfolio ■ Benchmark





# Global Low Volatility Composite



## Global Low Volatility Composite

Country Allocation  
As of September 30, 2023

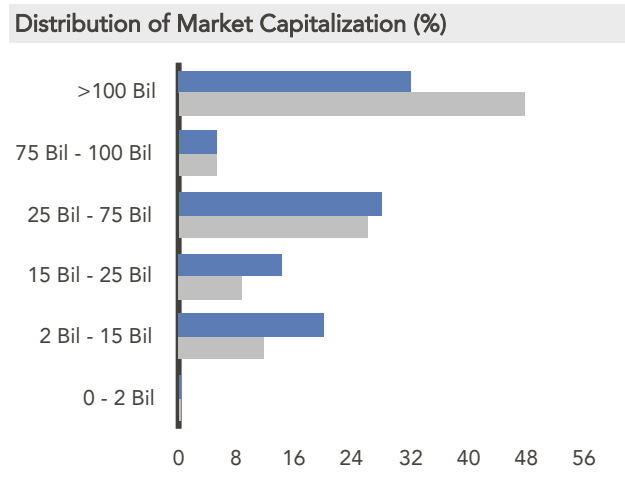
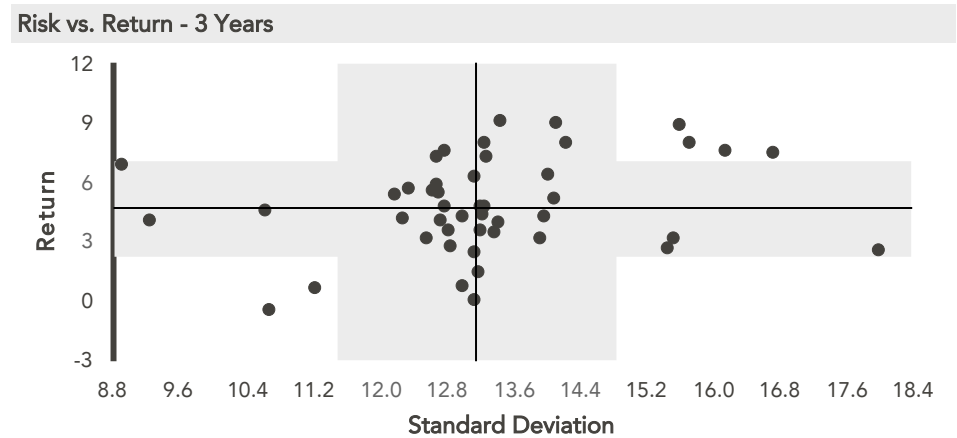
Global Low Volatility Composite	
Canada	7.0
United States	49.4
Denmark	1.0
France	1.2
Germany	0.8
Ireland	3.1
Italy	1.1
Netherlands	0.8
Switzerland	3.0
United Kingdom	2.0
<b>Europe</b>	<b>13.1</b>
Hong Kong	1.4
Japan	11.2
Singapore	4.9
<b>Asia Pacific</b>	<b>17.5</b>
<b>Developed Markets</b>	<b>87.0</b>
Brazil	0.5
<b>Americas</b>	<b>0.5</b>
Korea	3.5
Philippines	2.1
Taiwan	0.9
Thailand	1.8
<b>Asia Pacific</b>	<b>8.2</b>
<b>Emerging Markets</b>	<b>8.7</b>
Other	4.2
<b>Total</b>	<b>100.0</b>

# MFS Low Volatility Global Equity Fund

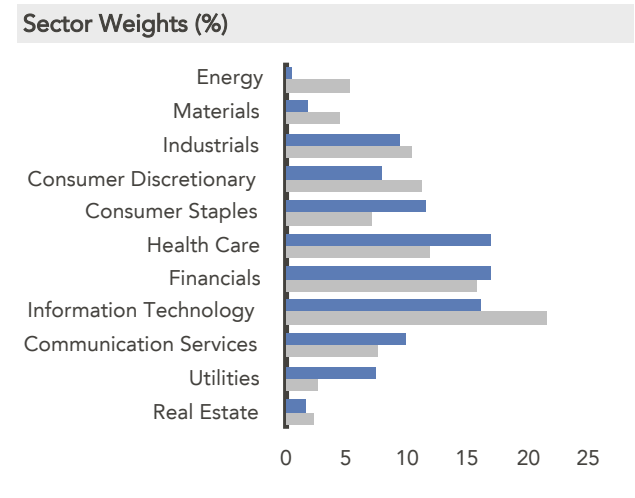
Portfolio Characteristics  
As of September 30, 2023

	Market Value \$	1 Mo (%)	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	SI (%)	Inception Date
MFS Low Volatility Global Equity Fund	6,908,057	-2.6	-3.0	-	-	-	-	-0.1	Feb 23
MSCI AC World Index		-4.1	-3.3	21.4	7.4	7.0	8.1	3.1	
MFS Low Volatility Global Equity Fund Rank		37	35	-	-	-	-	30	

Portfolio Characteristics	Portfolio	MSCI AC World Index
Wtd. Avg. Mkt. Cap \$M	\$193,255	\$401,762
Median Mkt. Cap \$M	\$46,693	\$11,769
Price/Earnings ratio	15.7	17.4
Price/Book ratio	2.7	3.4
5 Yr. EPS Growth Rate (%)	18.0	15.6
Current Yield (%)	2.3	2.3
Beta	-	1.0
Number of Stocks	99	2,947



Region (%)	Portfolio
Canada	6.8
United States	48.2
Europe	15.3
Asia Pacific	17.0
<b>Developed Markets</b>	<b>87.4</b>
Americas	0.5
Asia Pacific	8.0
<b>Emerging Markets</b>	<b>8.5</b>
Other	4.1
<b>Total</b>	<b>100.0</b>



# Hedge Fund of Funds Composite

Characteristics

Fund Inception/Vintage Year	2000
Total Fund NAV (\$M)	
Total Fund NAV (\$B)	
Cumulative % of NAV	
% in Top 10 by NAV	
As of Date	9/30/2023

Strategy Breakdown

	Weight	Allocation
Cash	0.0%	0.0%
Event Driven		
Global Macro/CTA	2.4%	4.7%
Multi-Strategy	18.0%	0.7%
Hedged Equity	34.8%	0.3%
Relative Value	25.0%	1.4%
Short Selling		
Other	0.0%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>10.0%</b>

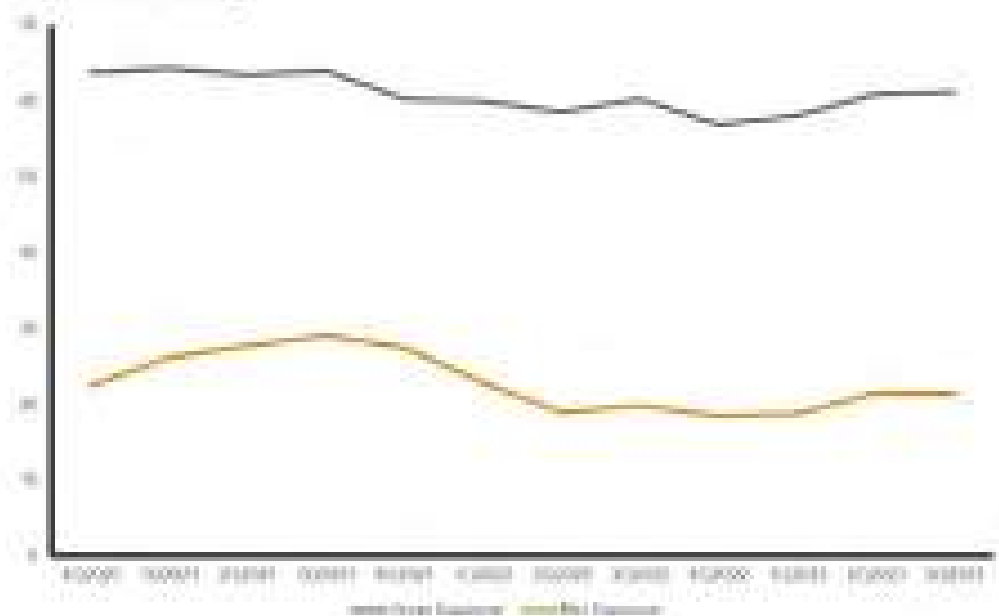
Security Geographic Exposure

	Weight
US Exposure	
International Exposure	
Cash	

Top Ten Holdings Investment Detail

Fund	Type	Fund Manager/Issuer (\$M)	Weight %	Duration (Years)	Fund Size (\$M)	Expire/Redemption	Investment Horizon	SEC Registered
Orbital Navigation Ltd	Other	\$641.0	10.0%	0.0%	\$23,571.0	Jul 1998	Jan 2020	Yes
Harvest Capital Ltd	Global Macro/CTA	\$78.0	1.0%	0.1%	\$5,091.0	Feb 2008	Jan 2011	Yes
Orbital Feeder Ltd	Other	\$255.0	4.0%	1.0%	\$795.0	Jul 2002	Oct 2020	Yes
OCM Special Opex Ltd	Other	\$299.0	3.1%	0.0%	\$1,250.0	May 2014	May 2014	Yes
Carson MLP Cap Ltd	Credit	\$171.0	2.0%	0.0%	\$4,400.0	Jul 1994	Jan 2020	Yes
Orbital Partners Off LP	Hedged Equity	\$129.0	1.0%	0.0%	\$61.0	Dec 2007	Mar 2020	Yes
Woodline Offshore Fund	Other	\$754.0	4.7%	1.0%	\$5,001.0	Feb 2019	Aug 2019	Yes
OP Capital Offshore	Hedged Equity	\$267.0	0.7%	1.0%	\$10,000.0	Apr 2018	Jul 2018	Yes
Orbital Offshore	Other	\$100.0	1.0%	1.0%	\$1,400.0	Jan 2001	Apr 2020	Yes
Equity Spec Fund Ltd	Hedged Equity	\$24.0	0.0%	0.0%	\$84.0	Oct 2020	Oct 2020	Yes
<b>Total</b>		<b>\$6.0</b>	<b>\$0.0</b>					

Gross Net Positioning





# Real Estate Composite

Characteristics

Fund GAV (\$MM)	\$42,360.7
Fund NAV (\$MM)	\$33,032.9
Cash (% of NAV)	0.1%
# of Investments	540
% in Top 10 by NAV	14.1%
Leverage %	22.9%
Occupancy	92.4%
# of MSAs	53
1-Year Dividend Yield	4.0%
As of Date	30-Sep-23

Top Five Metro Areas

	% of NAV
Los Angeles, CA	13.1%
Boston, MA	6.4%
Miami, FL	6.2%
Chicago, IL	6.0%
New York, NY	7.6%
<b>Total</b>	<b>45.3%</b>

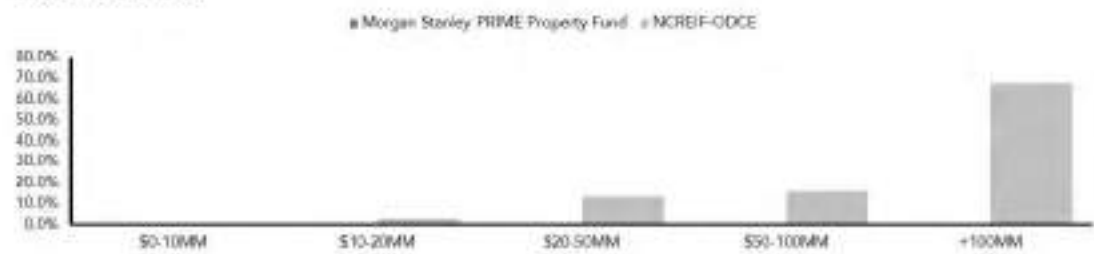
Top Ten Holdings Investment Detail

Property	Location	% of NAV
One Post Office Square	Boston, MA	2.4%
HS&K Plaza	San Francisco, CA	1.7%
Fashion Valley Mall	San Diego, CA	1.7%
155 North Wacker	Chicago, IL	1.4%
One Maritime Plaza	San Francisco, CA	1.3%
Two Park Avenue	New York, NY	1.2%
151 N. Franklin	Chicago, IL	1.2%
AMLI Midtown Miami	Miami, FL	1.1%
200 Cambridgepark Drive	Cambridge, MA	1.1%
Waterview Tower	Washington, DC	1.0%
<b>Total</b>		<b>14.1%</b>

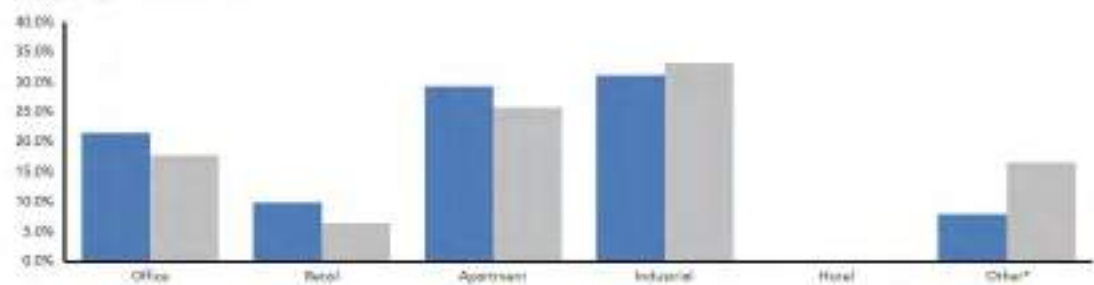
\*Other: Other includes Self Storage (94 investments at 5.2%), Healthcare (44 investments 7.2%), Student Housing (46 investments 3.2%), Other includes land held for potential development (13 investments 0.9%).

All data by NAV, excluding cash & debt.

Property Size Breakdown



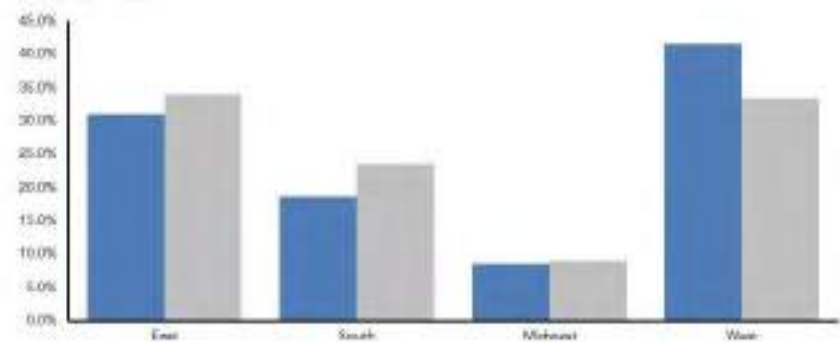
Property Type Breakdown



Property Status

Property Status	% of Portfolio
Pre-Development	0.6%
Development	2.1%
Initial Leasing	5.6%
Operating	91.2%
Re-Development	0.5%
Other	0.0%

Regional Breakdown

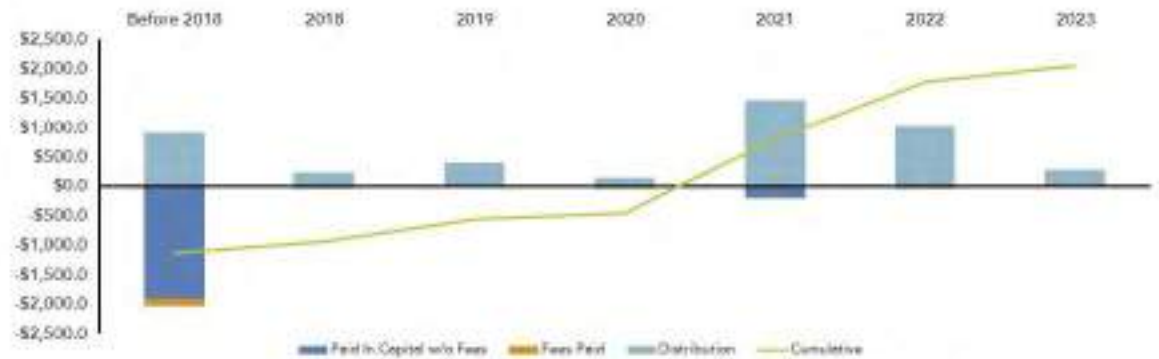


# Private Equity/Opportunistic Investments

Characteristics

Fund Vintage Year	2013
Total Size of Fund (\$M)	\$1,644.1
Total Capital Called to Date	
% of Capital Called	85.1%
Capital Distributed (\$M)	
Capital Distributed (as a % of Capital Called)	\$85.1
Fund NAV (\$M)	\$608.4
Net Multiple	3.1x
Net IRR	17.3%
As of Date	3/31/2023

Annual Cash Flow Summary (\$M)

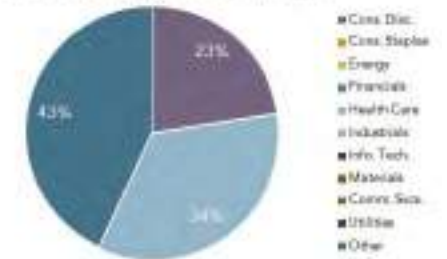


	Active Investments			Total Investments		
	Total Active	Winnings	Winnings Down	Total	Realized	Winnings Off
# of Properties	3	0	0	11	8	0
Current + Realized MV (\$M)	\$823.5	\$0.0	\$0.0	\$4,300.5	\$3,477.0	\$0.0
% of Portfolio	19.1%	0.0%	0.0%	100.0%	80.9%	0.0%

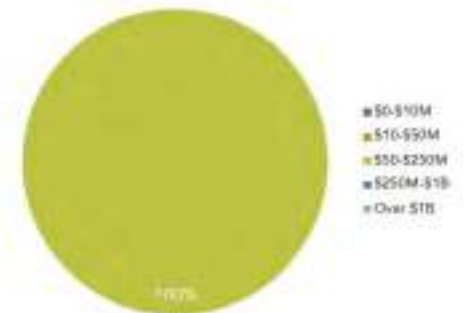
Top Ten Holdings by Market Value

Holding	Type	Initial Investment Date	% of Portfolio	Total Investment (\$M)	Fair Market Value (\$M)	Total Distribution (\$M)
Genova Diagnostics	Health Care	11/12/2013	4.3%	\$158.0	\$26.4	\$83.8
Smith System	Other	6/9/2014	24.0%	\$75.0	\$145.8	\$78.4
Therapeutic Research Center	Other	8/23/2017	71.7%	\$171.3	\$436.1	\$52.9
Name						
Total			100.0%	\$404.3	\$608.3	\$215.1

Portfolio Company Sector Exposure

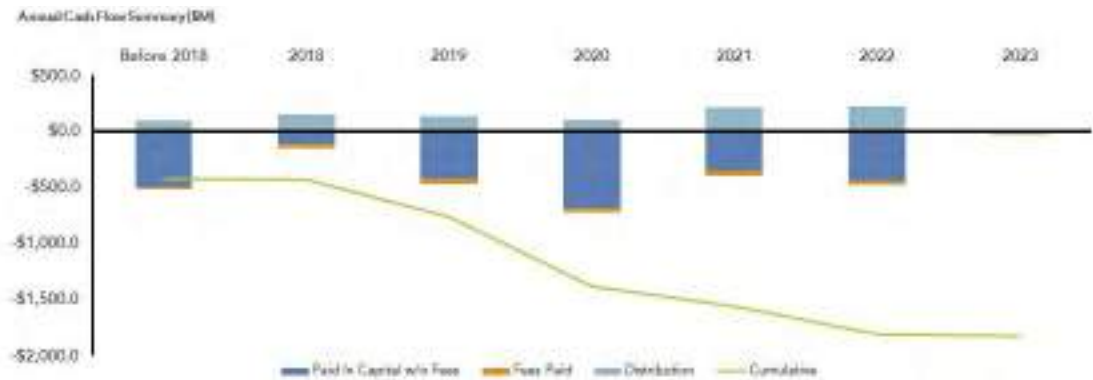


Portfolio Company Annual Revenue





Characteristics	
Fund Vintage Year	2017
Total Size of Fund (\$M)	\$2,500.5
Total Capital Called to Date	
% of Capital Called	79.9%
Capital Distributed (\$M)	
Capital Distributed (as a % of Capital Called)	\$79.9
Fund NAV (\$M)	\$3,360.7
Net Multiple	1.9x
Net IRR	16.2%
As of Date	3/31/2023

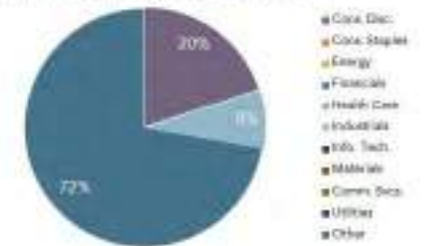


	Actual Investments			Total Investments		
	Total Active	Written Up	Written Down	Total	Realized	Written Off
# of Properties	9	0	0	9	0	0
Current + Realized MV (\$M)	\$3,758.8	\$0.0	\$0.0	\$3,758.8	\$0.0	\$0.0
% of Portfolio	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%

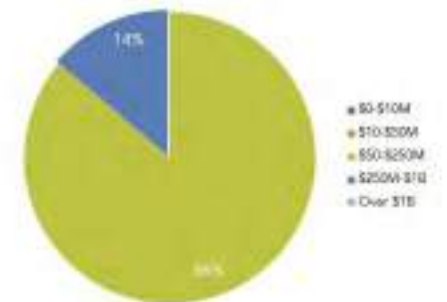
Top Ten Holdings by Market Value

Holder	Type	Initial Investment Date	% of Portfolio	Total Investment (\$M)	Fair Market Value (\$M)	Total Distribution (\$M)
Low Business Research	Other	12/22/2017	10.5%	\$205.7	\$254.4	\$37.6
Capra Healthcare	Other	9/8/2017	8.9%	\$160.9	\$299.6	\$82.8
Club Champion	Consumer Discretionary	2/1/2019	9.0%	\$150.5	\$303.1	\$45.1
Siena	Health Care	4/20/2019	6.3%	\$157.0	\$210.4	\$73.9
Tropical Smoothie Cafe	Consumer Discretionary	9/4/2020	17.3%	\$246.2	\$580.1	\$134.1
BigHand	Other	11/2/2020	9.7%	\$245.8	\$326.6	\$11.9
Suveto	Other	10/30/2020	13.8%	\$300.0	\$464.6	\$4.8
Encore Fire Protection	Other	6/2/2021	11.2%	\$193.8	\$376.7	\$4.7
Technical Safety Services	Other	6/22/2022	13.2%	\$329.3	\$445.2	\$3.2
<b>Total</b>			<b>99.9%</b>	<b>\$1,998.0</b>	<b>\$3,360.7</b>	<b>\$298.0</b>

Portfolio Company Sector Exposure



Portfolio Company Annual Revenue



## Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

**In Compliance** – Marquette has not been notified of any issues or changes to the investment manager that would materially impede upon its ability to execute the investment strategy or adhere to any applicable investment guidelines.

**Alert** – The investment manager has experienced a problem in performance (usually relative to a benchmark), a change in investment characteristics, an alteration in management style, ownership, or key investment professionals, and/or any other irregularities that may impede upon its ability to execute the investment strategy or adhere to any applicable investment guidelines.

**On Notice** – The investment manager has experienced continued concern with one or more Alert issues. Failure to improve upon stated issues within a certain time frame may justify termination.

**Termination** – The investment manager has been terminated and transition plans are in place.

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# Market Tracker

December 2023

## U.S. Equity Returns

	Dec	YTD	1 Yr
S&P 500	4.5%	26.3%	26.3%
Russell 3000	5.3%	26.0%	26.0%
NASDAQ	5.6%	44.6%	44.6%
Dow Jones	4.9%	16.2%	16.2%

## Non-U.S. Equity Returns

	Dec	YTD	1 Yr
ACWI	4.8%	22.2%	22.2%
ACWI ex. US	5.0%	15.6%	15.6%
EAFE Index	5.3%	18.2%	18.2%
EAFE Local	2.9%	16.2%	16.2%
EAFE Growth	5.7%	17.6%	17.6%
EAFE Value	4.9%	19.0%	19.0%
EAFE Small Cap	7.3%	13.2%	13.2%
Emerging Markets	3.9%	9.8%	9.8%
EM Small Cap	4.4%	23.9%	23.9%

## Regional Returns

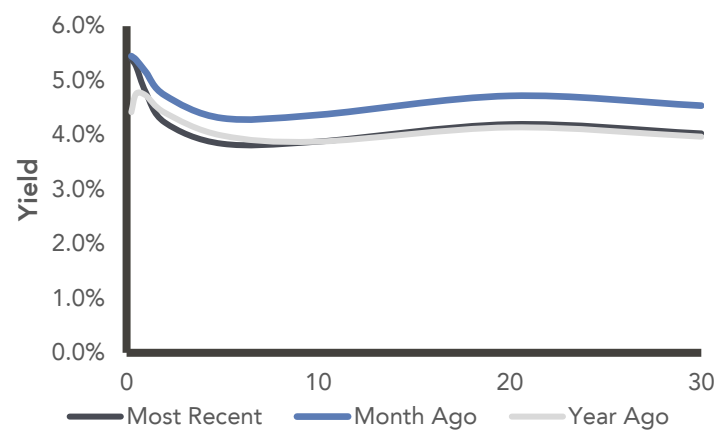
	Dec	YTD	1 Yr
Europe	4.9%	20.0%	20.0%
Asia ex-Japan	3.5%	6.0%	6.0%
EM Latin America	8.3%	32.7%	32.7%
UK	4.5%	14.1%	14.1%
Germany	4.4%	23.0%	23.0%
France	4.6%	21.4%	21.4%
Japan	4.4%	20.3%	20.3%
China	-2.4%	-11.2%	-11.2%
Brazil	7.2%	32.7%	32.7%
India	8.1%	20.8%	20.8%

## Real Estate Returns

	Qtr	YTD	1 Yr
NCREIF NPI National*	-1.4%	-5.1%	-8.4%
FTSE NAREIT	8.9%	11.5%	11.5%

\*Returns as of September 30, 2023

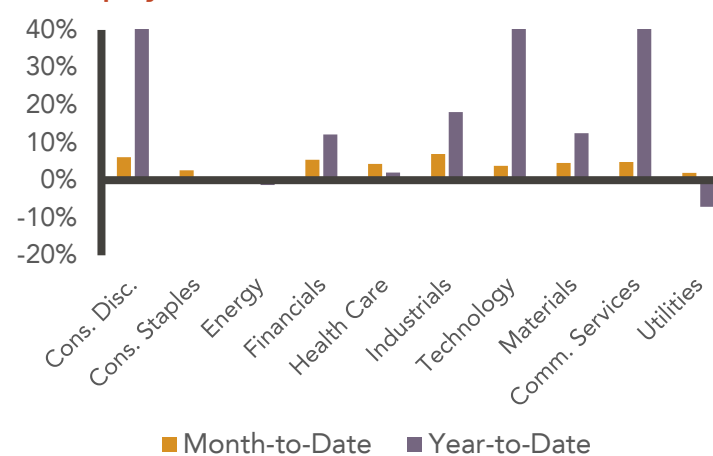
## Yield Curve



## Style Index Returns

	Month-to-Date			Year-to-Date		
	Value	Core	Growth	Value	Core	Growth
Large	5.5%	4.9%	4.4%	11.5%	26.5%	42.7%
Mid	7.8%	7.7%	7.6%	12.7%	17.2%	25.9%
Small	12.4%	12.2%	12.0%	14.6%	16.9%	18.7%

## U.S. Equity Sector Returns



## Fixed Income Returns

	Dec	YTD	1 Yr
Aggregate	3.8%	5.5%	5.5%
Universal	3.8%	6.2%	6.2%
Government	3.3%	4.1%	4.1%
Treasury	3.4%	4.1%	4.1%
Int. Gov/Credit	2.3%	5.2%	5.2%
Long Gov/Credit	7.9%	7.1%	7.1%
TIPS	2.7%	3.9%	3.9%
Municipal 5 Year	1.5%	4.3%	4.3%
High Yield	3.7%	13.4%	13.4%
Bank Loans	1.6%	13.0%	13.0%
Global Hedged	3.2%	7.1%	7.1%
EM Debt Hard Currency	4.7%	11.1%	11.1%

## Hedge Fund Returns

	Dec	YTD	1 Yr
HFRX Global	1.4%	3.1%	3.1%
HFRX Hedged Equity	1.6%	6.9%	6.9%
HFRX Event Driven	1.1%	0.4%	0.4%
HFRX Macro	0.4%	-1.3%	-1.3%
HFRX Relative Value	2.1%	4.7%	4.7%
CBOE PutWrite	1.4%	14.3%	14.3%

## Commodity Returns

	Dec	YTD	1 Yr
GSCI Total	-3.3%	-4.3%	-4.3%
Precious Metals	-0.4%	9.6%	9.6%
Livestock	-2.4%	-1.9%	-1.9%
Industrial Metals	4.0%	-9.1%	-9.1%
Energy	-6.0%	-21.6%	-21.6%
Agriculture	-4.4%	-4.4%	-4.4%
WTI Crude Oil	-5.6%	-2.0%	-2.0%
Gold	1.1%	12.8%	12.8%



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# Portfolio Update

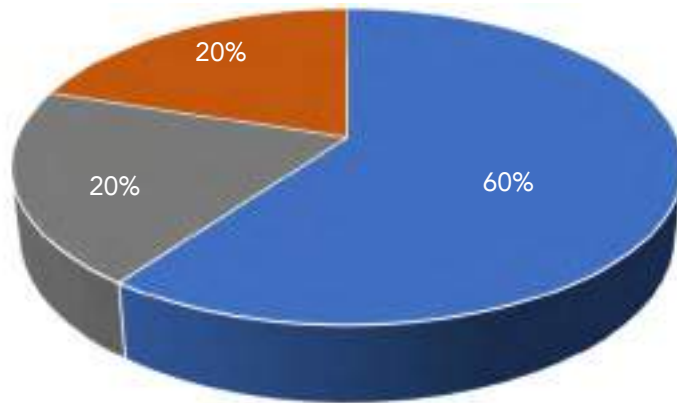
Presented by

James R. Wesner, CFA

# Portfolio Review

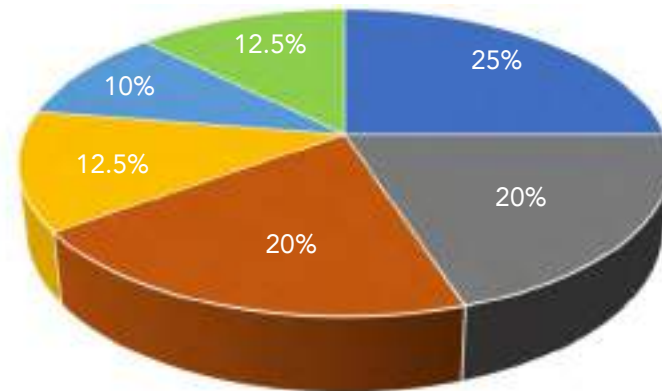
- Significant changes to asset allocation over past 15 years

2008 Asset Allocation



■ U.S. Equity ■ International Equity ■ Fixed Income

Current



■ U.S. Equity ■ International Equity ■ Fixed Income  
■ Hedged Strategies ■ Real Estate ■ Private Markets

# PNC Custodian Transition Update

---

- PNC Custody account open and ready to receive assets
- Mutual Funds to be transferred to PNC
  - Baird Ultra Short Bond
  - Baird Aggregate Bond
  - Dodge & Cox International Stock Fund
  - Goldman Sachs International Small Cap Insights
  - MFS Low Volatility Global Equity Fund



# PNC Custodian Transition Update

---

- Commingled Funds and Limited Partnerships will be tracked as line items at PNC as well, for accounting purposes:

## Liquid/Traditional Investments

- Northern Trust Total Bond Index Fund
- Rhumblin S&P 500 Index Fund
- Northern Trust Russell 2000 Index Fund
- Northern Trust ACWI ex-US Index Fund

# PNC Custodian Transition Update

---

- Commingled Funds and Limited Partnerships will be tracked as line items at PNC as well, for accounting purposes:

## Illiquid/Alternative Investments

- Parametric Defensive Equity
- Grosvenor Multi-Strategy Hedge Fund
- Morgan Stanley Prime Property Fund
- Levine Leichtman Funds V and VI (Private Equity)
- PIMCO BRAVO Funds II, III and IV (Private Debt)

# PNC Custodian Transition Update

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Transition current index fund exposure from Northern Trust commingled funds to mutual funds owned directly at PNC

## Current

- NT Russell 2000 Fund (0.08% fee)
- NT MSCI ACWI ex-US Fund (0.12% fee)

## Proposed

- Vanguard Small-Cap Index Fund (0.04% fee)
- Vanguard Total International Stock Index Fund (0.08% fee)
- Roughly \$10,000 in annual savings

# PNC Custodian Transition Update

---

- Recommendation
  - Liquidate Northern Trust Aggregate Bond Index Fund
    - \$10,162,973 as of 12/31/23
  - Use proceeds to fund a separately managed account with a new manager – custodied at PNC
  - Marquette will provide a searchbook with 4-6 top picks for the Endowment portfolio

# Additional ABE Assets

- Multiple pools of capital outside Legal Legacy Fund
- Match asset allocation with risk tolerance
- Match liquidity needs
- Consolidate banks
- Investment Policy Statement for each pool

	<u>Market Value</u>
Legal Legacy Fund	165,632,603
Northern Trust - CGF	1,157,470
Northern Trust - Disability Reserve	3,046,845
Northern Trust - EMM Reserve	5,145,355
Baird Aggregate Bond - EMM Reserve	1,791,673
Baird Short-Term Bond Fund - EMM Reserve	1,174,859
Northern Trust Index Funds - Foulis	1,517,010
Parametric - Foulis	585,938
Pimco - Foulis	309,987
BMO - Wealth Management	6,048,489
<b>Total</b>	<b>186,410,229</b>

# Investment Best Practices

---

- Asset allocation discussion for each pool of capital
- Asset allocation reviewed at a minimum of every 3 years
  - Annual review for Legal Legacy Fund
- Clearly defined responsibilities for all parties
- Investment Policy Statement reviewed annually with staff
  - Changes to Investment Policy approved by Board
- Regular review of costs

Purpose:

**Empower our clients  
to meet their  
investment objectives**

### **Vision**

Be a trusted partner to our clients through effective investment programs

### **Mission**

Provide independent and thoughtful investment guidance

### **Why Marquette?**

- ✓ Our people
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research



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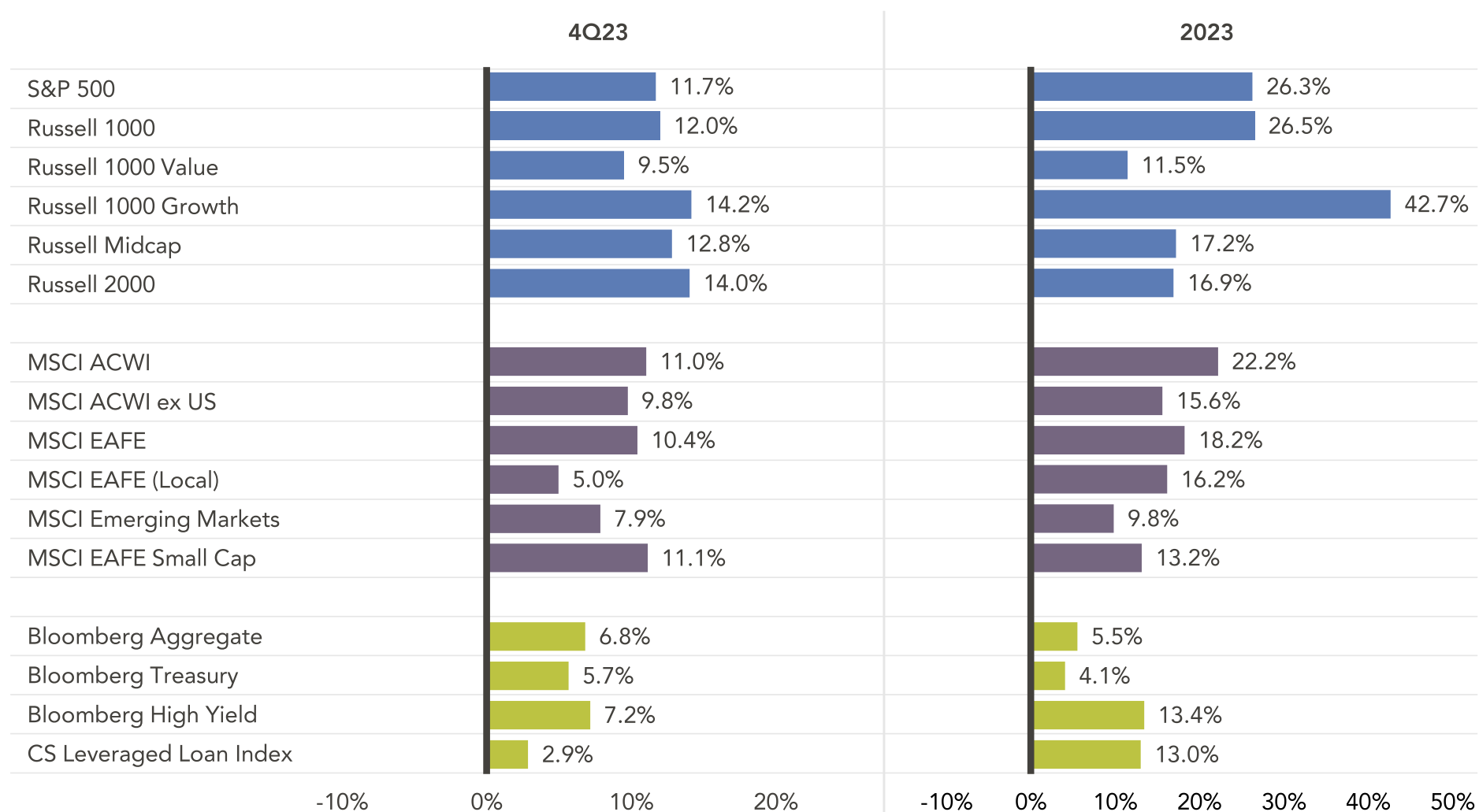
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# 2024 Market Preview

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# Index summary



Source: Bloomberg as of December 31, 2023

# Asset class outlook

		CHANGE	HEADWINDS	NEUTRAL	TAILWINDS
Fixed Income	Core bonds		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Bank loans		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	High yield		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	EMD		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
U.S. Equities	Large-cap		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Mid-cap		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Small-cap	▲	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Value	▲	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Growth		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Non-U.S. Equities	Developed large-cap	▲	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Developed small-cap	▲	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Emerging markets		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Real Assets	Core real estate		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Value-add real estate		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Infrastructure		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Hedge Funds	Equity long/short		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Credit		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	VRP		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Private Equity	Buyout		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Venture Capital		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Private Credit	Direct lending		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Distressed/opportunistic		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

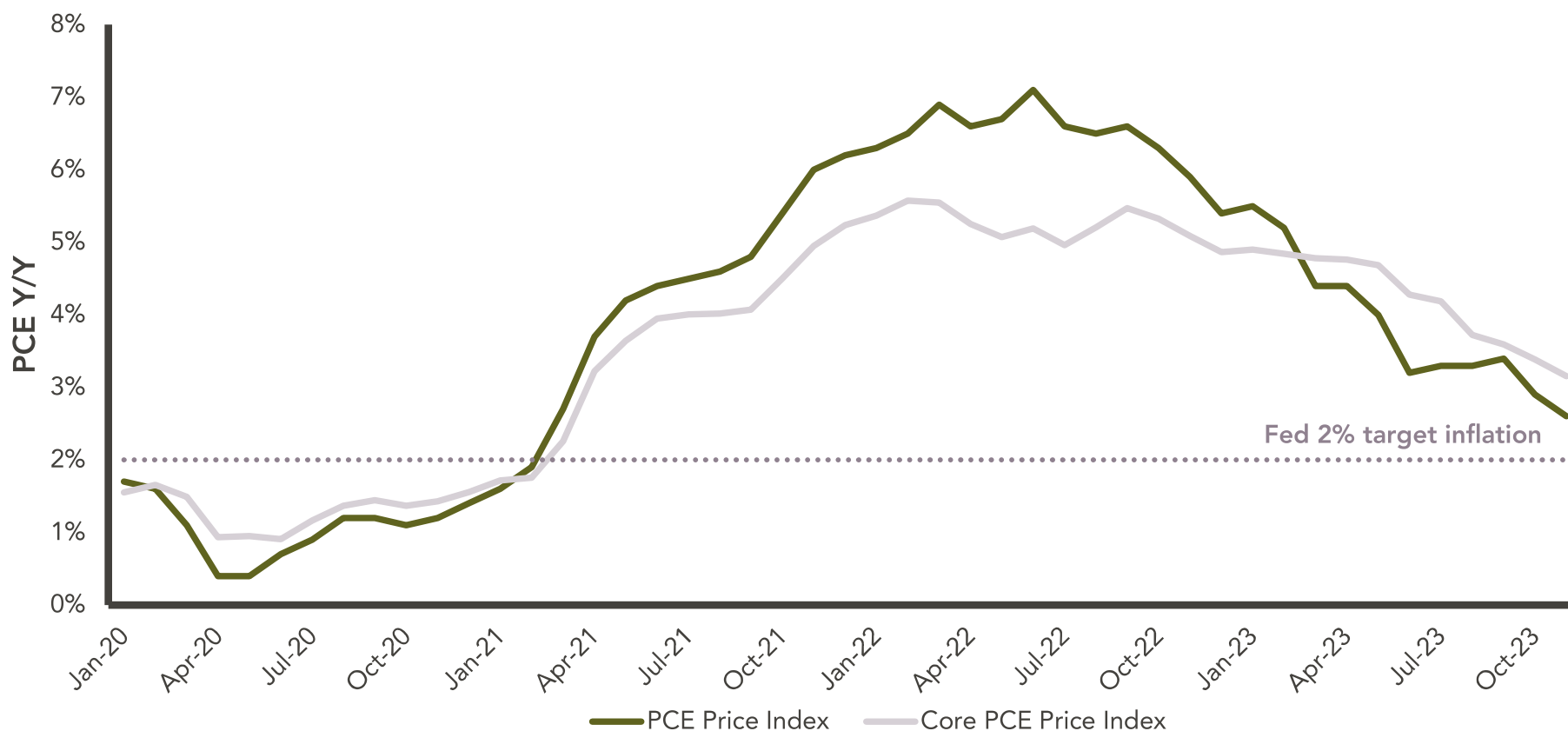
## TAKEAWAYS

- **Fixed Income:** Bonds proved to be back in 2023, though yields exhibited remarkable volatility over the year. 2024 has started with slightly lower yields than last year. However, the all-in yield on the Bloomberg Aggregate Index remains attractive (currently above 4.5%). Spreads remain tight, with most trading well inside of averages.
- **U.S.:** Small-cap and value-oriented equities have been out of favor relative to their large-cap and growth-oriented peers, and these spaces currently exhibit attractive valuations. Additionally, value stocks have historically done well amid soft landings and falling inflation, while small-caps tend to outperform coming out of recessionary environments. Quality will be a key factor amid concerns of slowing economic growth.
- **Non-U.S.:** EM countries (outside of China, which still presents risks) stand to benefit from dynamics such as supply chain de-risking, demographic trends, and interest rate cycle positioning. Inflation is starting to cool in developed markets, though companies may come under pressure should rate cuts occur more slowly than expected.
- **Real Assets:** Elevated interest rates, lower transaction volume, and slowing rent growth are weighing on real estate appraisals. Though financing is a transient headwind for infrastructure, decarbonization and legislative incentives should support demand on a longer-term basis.
- **Hedge Funds:** Favorable short rebates and market dispersion should serve as tailwinds for equity long/short strategies, while higher borrowing costs will unevenly impact capital structures, creating opportunities for flexible credit managers. Finally, elevated interest rates serve to increase the returns of VRP collateral portfolios.
- **Private Equity:** Valuations decreased in 2023 and transaction volume has moderated. Dry powder should benefit the exit environment for small buyout and lower-middle market. Repricing for VC-backed businesses has dampened returns for five quarters but has also created attractive buying opportunities for those with dry powder to deploy.
- **Private Credit:** Increased private markets deal flow and lower issuance from traditional lenders presents opportunities. Elevated rates and structural protections reduce concerns for higher defaults. High debt servicing costs and potential economic weakness highlights an improved distressed and opportunistic opportunity set.

For illustration only, as of December 31, 2023. These views apply to a 6- to 12-month horizon; arrows in Change column represent change in view since last quarter. This summary of individual asset class views shows relative direction and strength of conviction but is independent of portfolio construction considerations. These views should not be construed as a recommended portfolio or investment advice. Past performance does not imply future returns.

# PCE

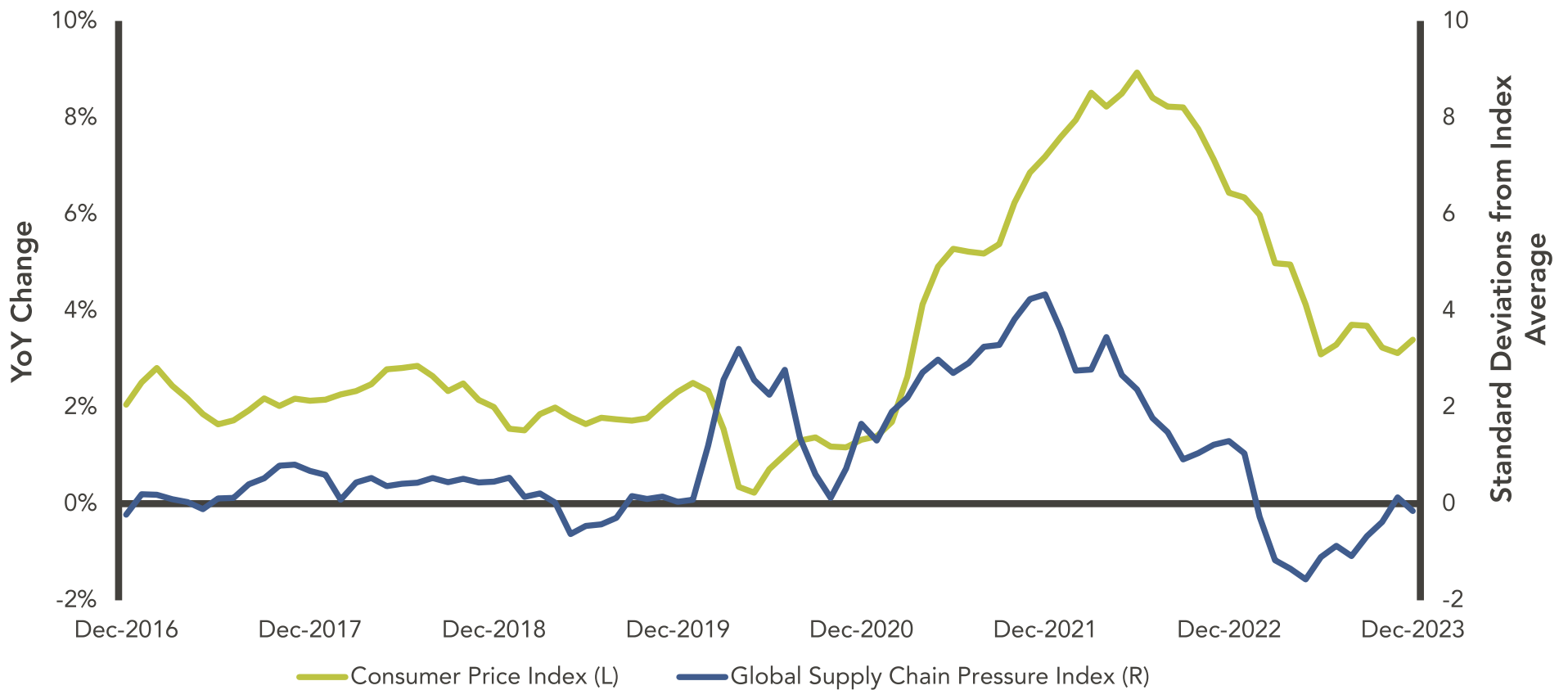
Despite moderation in recent time, core PCE levels — the Fed’s preferred measure of inflation — remain above the 2% rate that the bank targets



Source: Bloomberg, Bureau of Economic Analysis as of November 30, 2023

# Lower supply chain pressures lead to lower inflation

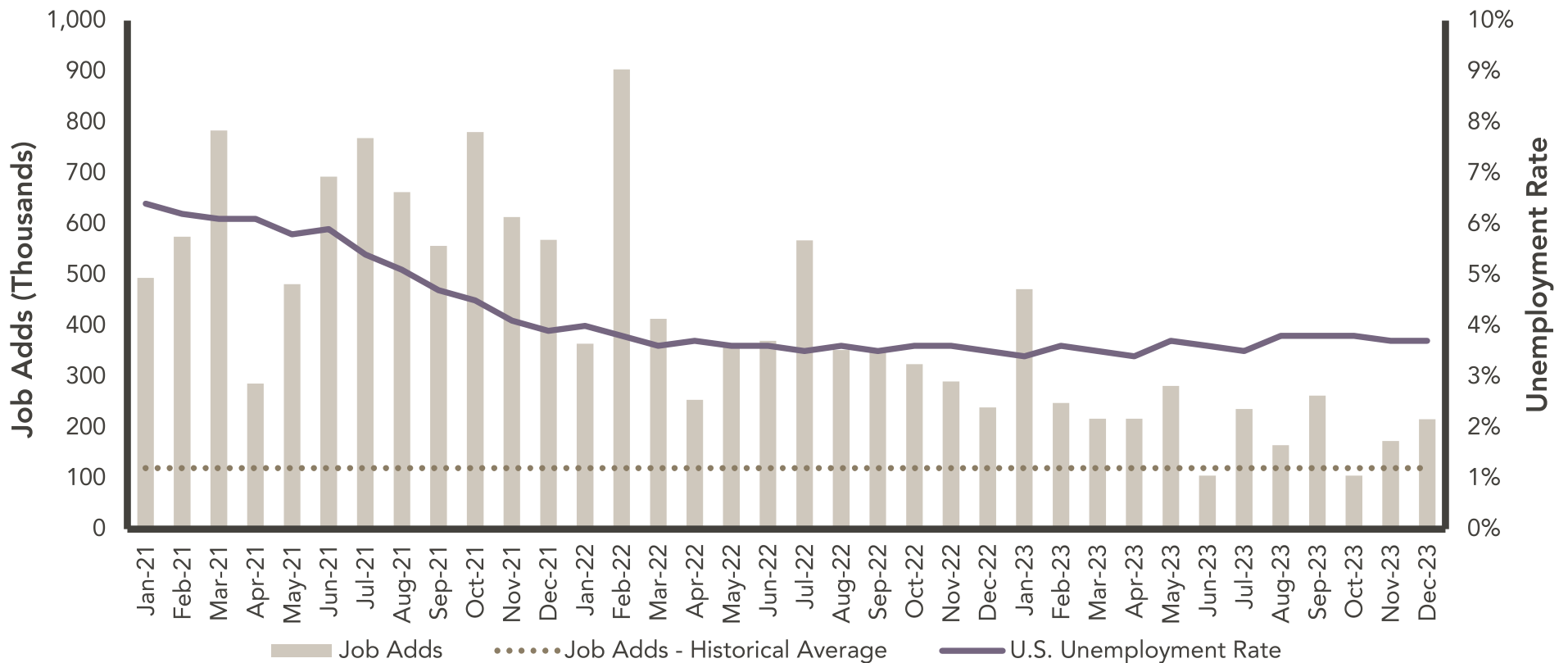
Global supply chain pressures have mostly returned to pre-COVID levels, which has helped lead to a reduction in domestic inflation figures



Source: Bloomberg, Federal Reserve Bank of New York, The Wall Street Journal as of December 31, 2023

# Hiring and unemployment

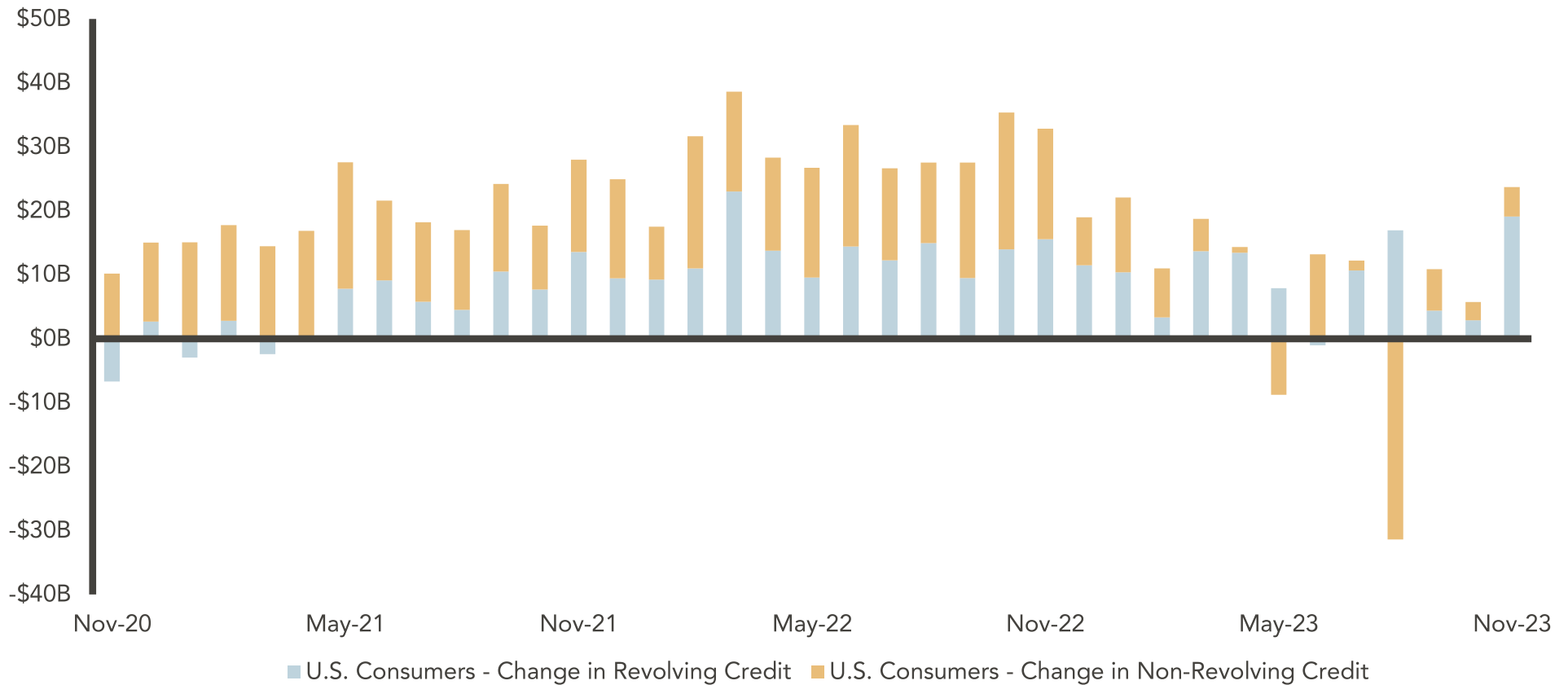
The December jobs report showed that employers added 216,000 jobs for the month while the unemployment rate held steady at 3.7%



Source: Bloomberg, Bureau of Labor Statistics as of December 31, 2023. Job Adds – Historical Average represents the 30-year average prior to the onset of COVID-19 (March 1990 – February 2020).

# U.S. consumers borrowing at elevated levels

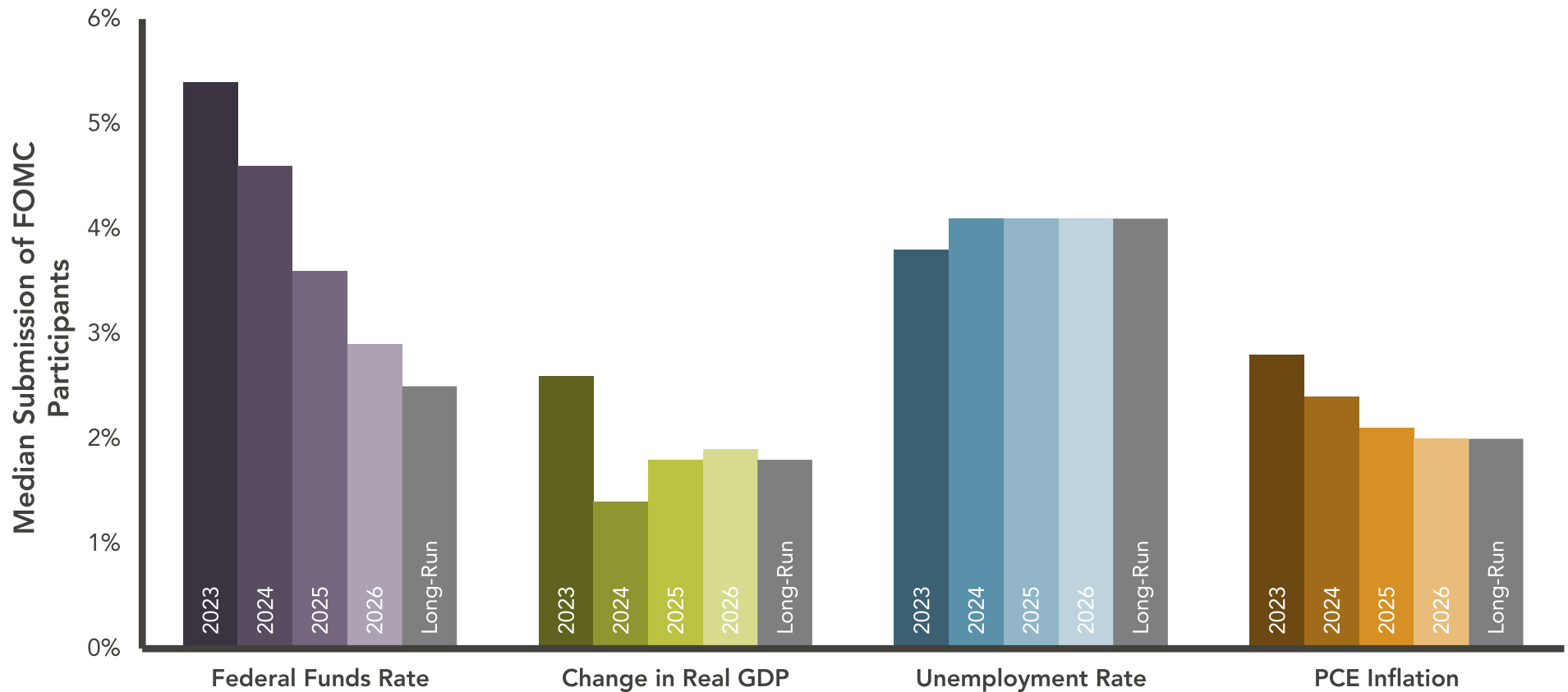
Outstanding revolving debt (e.g., credit cards) among U.S. consumers increased by the highest amount in nearly two years in November



Source: Bloomberg, Federal Reserve Bank of New York as of November 30, 2023

# Summary of economic projections

Fed officials expect GDP growth to slow in 2024, along with a slight increase in the unemployment rate and decrease in PCE inflation

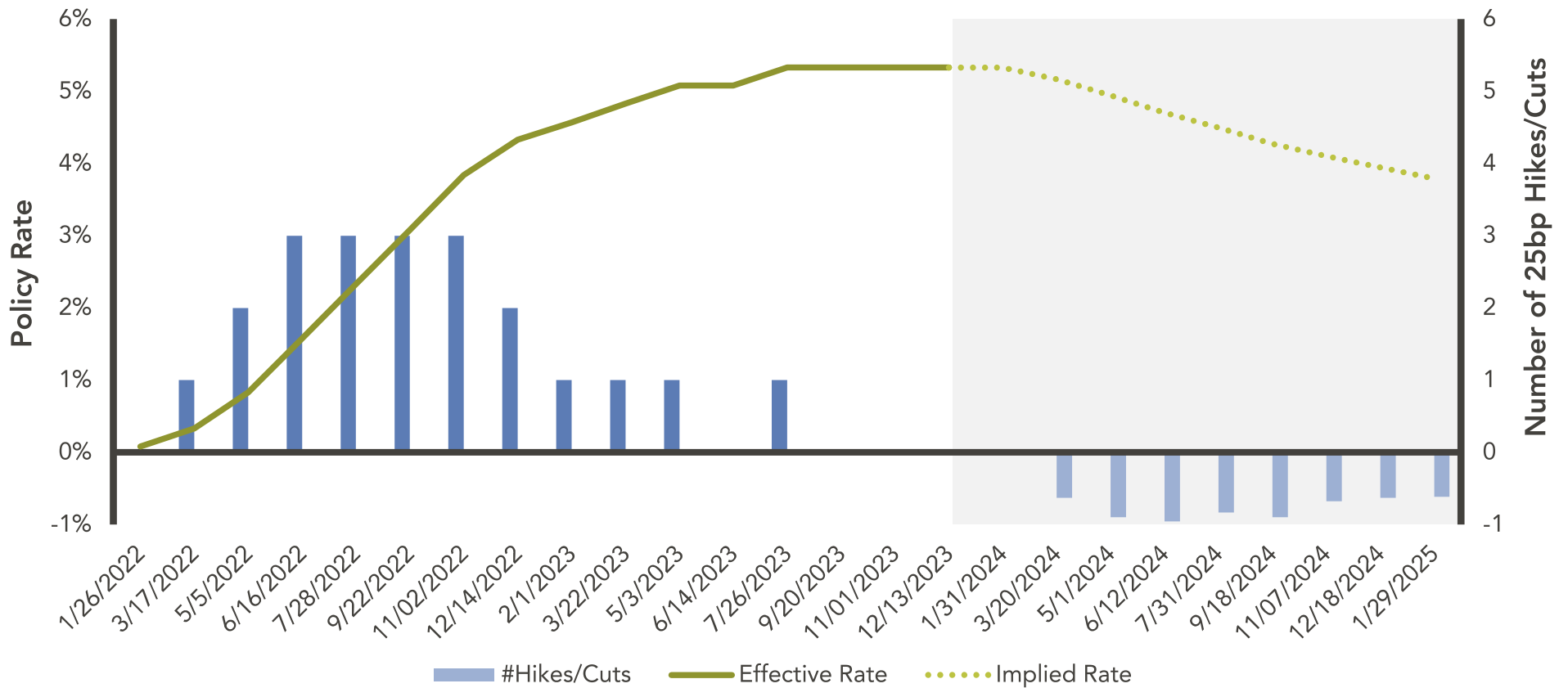


Source: Federal Reserve as of December 13, 2023



# Rate expectations

The market expects the Fed to maintain its current policy rate for the time being before eventual cuts later this year

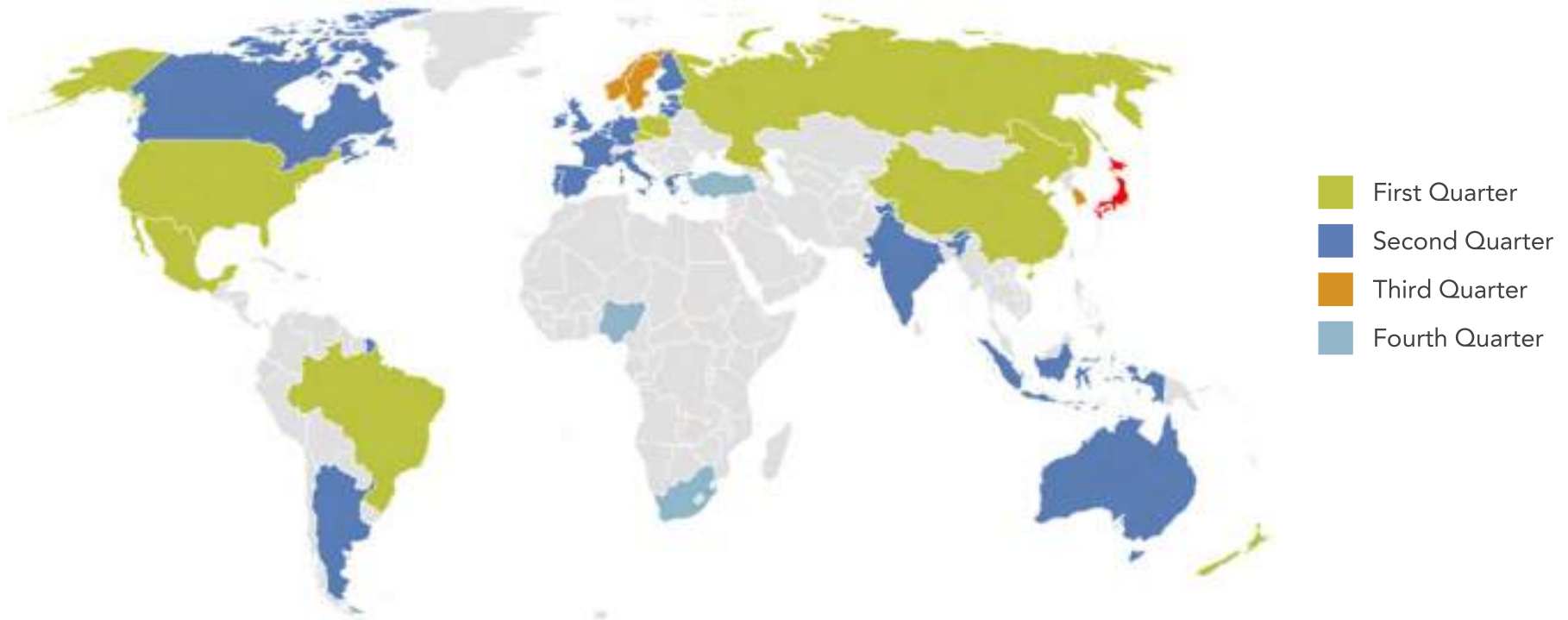


Source: Bloomberg as of January 11, 2023

# The year of the global interest rate cut?

After a prolonged tightening cycle, economists expect many countries will start reducing interest rates at some point this year

Quarter During Which First Rate Cut is Expected



Source: Bloomberg as of December 31, 2023. Japan is expected to increase interest rates in the second quarter of 2024.

# Fixed Income

# Fixed income performance

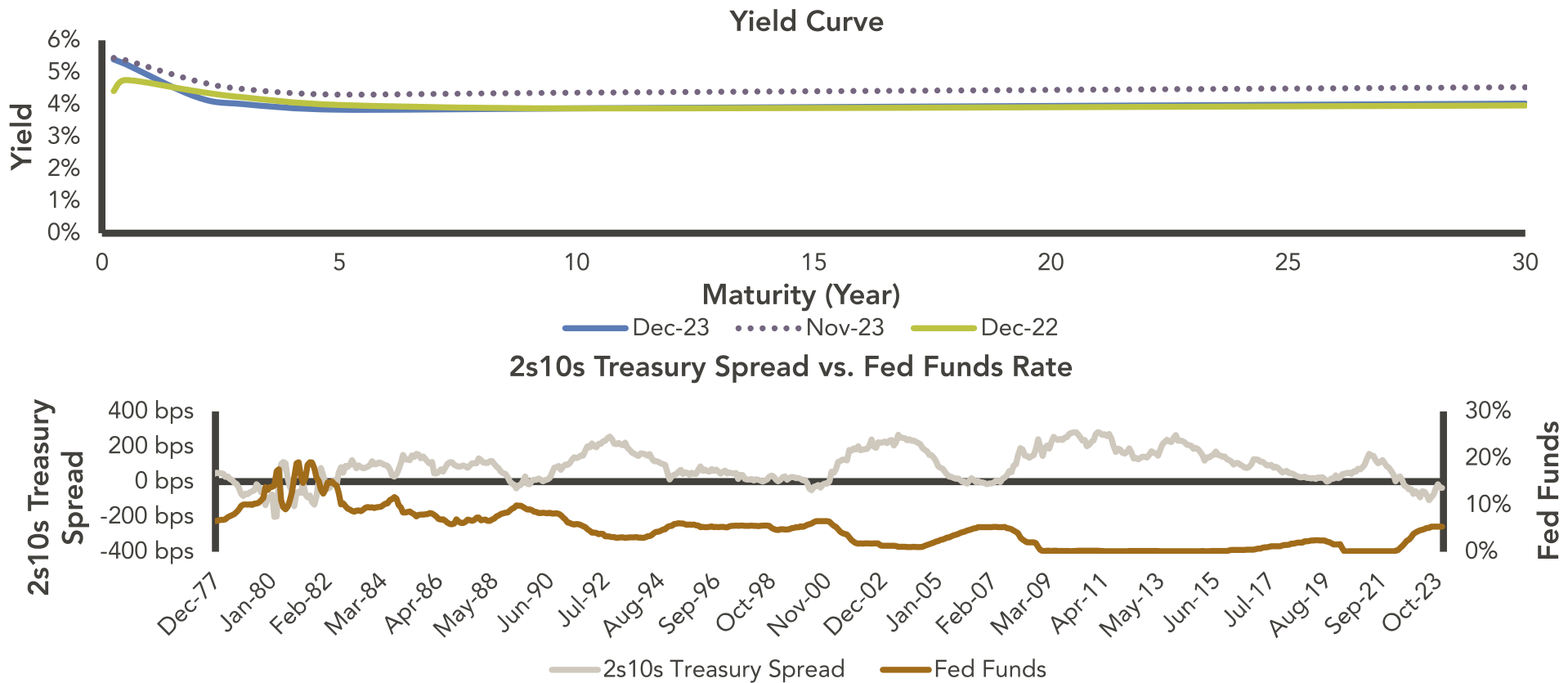
**Fixed income indices finished the year with a flourish; interest rates moved sharply lower in 4Q given the policy shift signaled by the Fed**

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
<b>Broad Market Index</b>	Blm Aggregate	3.8	6.8	5.5	5.5	-3.3	1.1	1.8
<b>Intermediate Index</b>	Blm Int. Gov./Credit	2.3	4.6	5.2	5.2	-1.6	1.6	1.7
<b>Government Only Indices</b>	Blm Long Gov.	8.6	12.7	3.1	3.1	-11.3	-1.2	2.3
	Blm Int. Gov.	2.1	4.0	4.3	4.3	-1.8	1.0	1.2
	Blm 1-3 Year Gov.	1.2	2.6	4.3	4.3	-0.1	1.3	1.0
	Blm U.S. TIPS	2.7	4.7	3.9	3.9	-1.0	3.2	2.4
<b>Credit Indices</b>	Blm U.S. Long Credit	7.3	13.7	10.7	10.7	-6.5	2.7	3.9
	Blm High Yield	3.7	7.2	13.4	13.4	2.0	5.4	4.6
	CS Leveraged Loan Index	1.6	2.9	13.0	13.0	5.6	5.6	4.4
<b>Securitized Bond Indices</b>	Blm MBS	4.3	7.5	5.0	5.0	-2.9	0.3	1.4
	Blm ABS	1.9	3.5	5.5	5.5	0.2	1.9	1.8
	Blm CMBS	3.0	5.2	5.3	5.3	-2.4	1.6	2.1
<b>Non-U.S. Indices</b>	Blm Global Aggregate Hedged	3.2	6.0	7.1	7.1	-2.1	1.4	2.4
	JPM EMBI Global Diversified	4.7	9.2	11.1	11.1	-3.6	1.7	3.2
	JPM GBI-EM Global Diversified	3.2	8.1	12.7	12.7	-3.2	1.1	0.1
<b>Municipal Indices</b>	Blm Municipal 5 Year	1.5	5.2	4.3	4.3	-0.3	1.7	1.9
	Blm HY Municipal	3.0	9.2	9.2	9.2	0.8	3.5	5.0

Source: Bloomberg, Credit Suisse, JPMorgan as of December 31, 2023. The local currency GBI index is hedged and denominated in U.S. dollars.

# U.S. Treasury yield curve and steepness

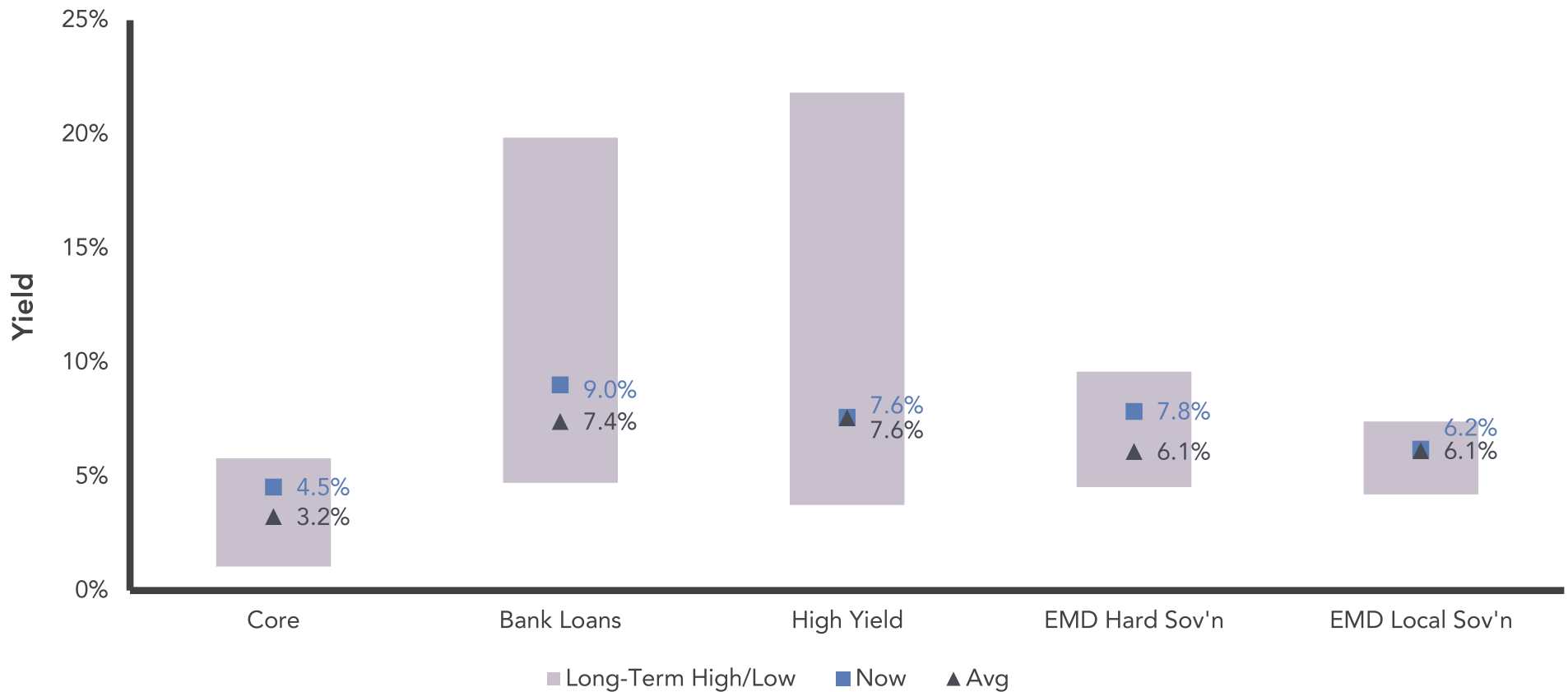
The yield curve continued to experience strong downward pressure as market participants priced in greater expectations of rate cuts in 2024



Source: Federal Reserve, Bloomberg as of December 31, 2023

# Fixed income yields

Yields repriced substantially lower in Q4; starting yields are lower in 2024 vs. 2023, but remain compelling for fixed income investors



Source: Bloomberg, Credit Suisse, JPMorgan as of December 31, 2023. Long-term high, low, and average based on longest available data for each index.

# U.S. Equities

# U.S. equity performance

**All major domestic equity indices notched positive returns in December, as small-cap equities rallied to close the year**

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
<b>Broad Market Indices</b>	Dow Jones	4.9	13.1	16.2	16.2	9.4	12.5	11.1
	Wilshire 5000	5.4	12.0	26.2	26.2	7.9	14.8	11.2
	Russell 3000	5.3	12.1	26.0	26.0	8.5	15.2	11.5
<b>Large-Cap Market Indices</b>	S&P 500	4.5	11.7	26.3	26.3	10.0	15.7	12.0
	Russell 1000	4.9	12.0	26.5	26.5	9.0	15.5	11.8
	Russell 1000 Value	5.5	9.5	11.5	11.5	8.9	10.9	8.4
	Russell 1000 Growth	4.4	14.2	42.7	42.7	8.9	19.5	14.9
<b>Mid-Cap Market Indices</b>	Russell Mid-Cap	7.7	12.8	17.2	17.2	5.9	12.7	9.4
	Russell Mid-Cap Value	7.8	12.1	12.7	12.7	8.4	11.2	8.3
	Russell Mid-Cap Growth	7.6	14.5	25.9	25.9	1.3	13.8	10.6
<b>Small-Cap Market Indices</b>	Russell 2000	12.2	14.0	16.9	16.9	2.2	10.0	7.2
	Russell 2000 Value	12.4	15.3	14.6	14.6	7.9	10.0	6.8
	Russell 2000 Growth	12.0	12.7	18.7	18.7	-3.5	9.2	7.2

Source: Bloomberg as of December 31, 2023



# Russell 1000 factor performance

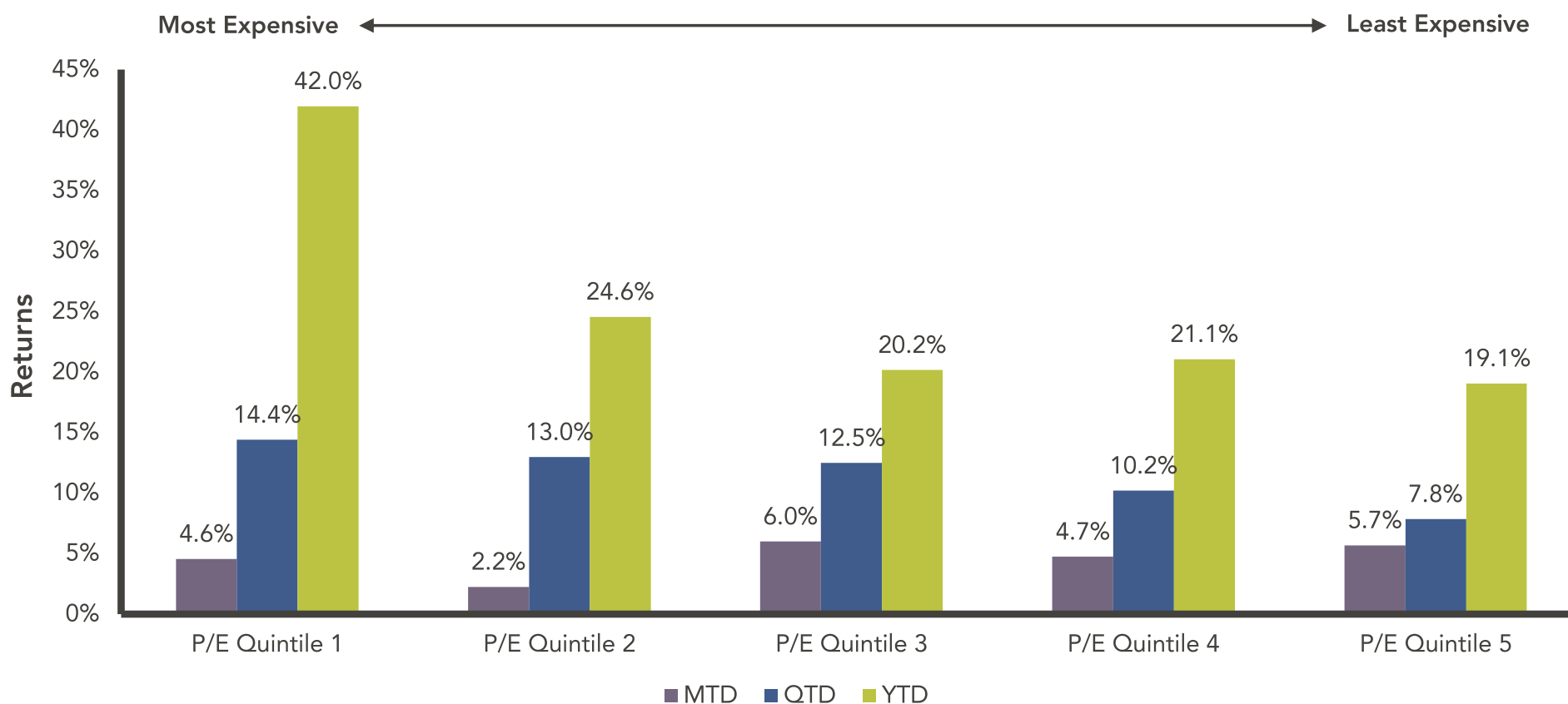
Small-caps led in December as the quality factor gave up ground; this represents a reversal of trends exhibited throughout much of 2023



Source: Bloomberg as of December 31, 2023

# U.S. equity valuations

After continued strong performance in 4Q, the most expensive stocks ended the year significantly higher than their cheaper peers



Source: FactSet as of December 31, 2023. SPY ETF used as a proxy for the S&P 500.

# Style performance shifts in December

Small-cap value led in in 4Q, but growth equities were dominant across the size spectrum on a full calendar year basis

**4Q23**

		STYLE		
		Value	Core	Growth
SIZE	Large	9.5%	12.0%	14.2%
	Mid	12.1%	12.8%	14.5%
	Small	15.3%	14.0%	12.7%

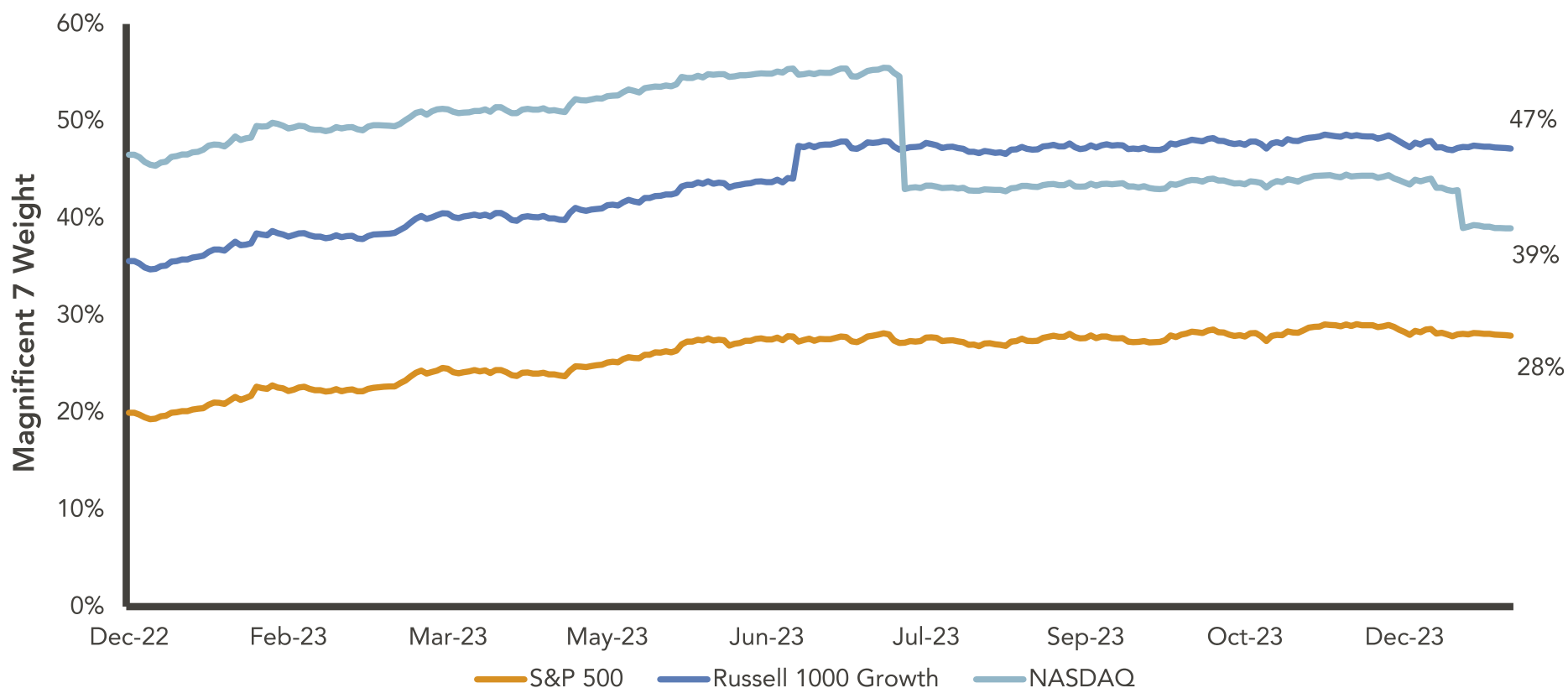
**2023**

		STYLE		
		Value	Core	Growth
SIZE	Large	11.5%	26.5%	42.7%
	Mid	12.7%	17.2%	25.9%
	Small	14.6%	16.9%	18.7%

Source: Bloomberg as of December 31, 2023

# Magnificent Seven index concentration

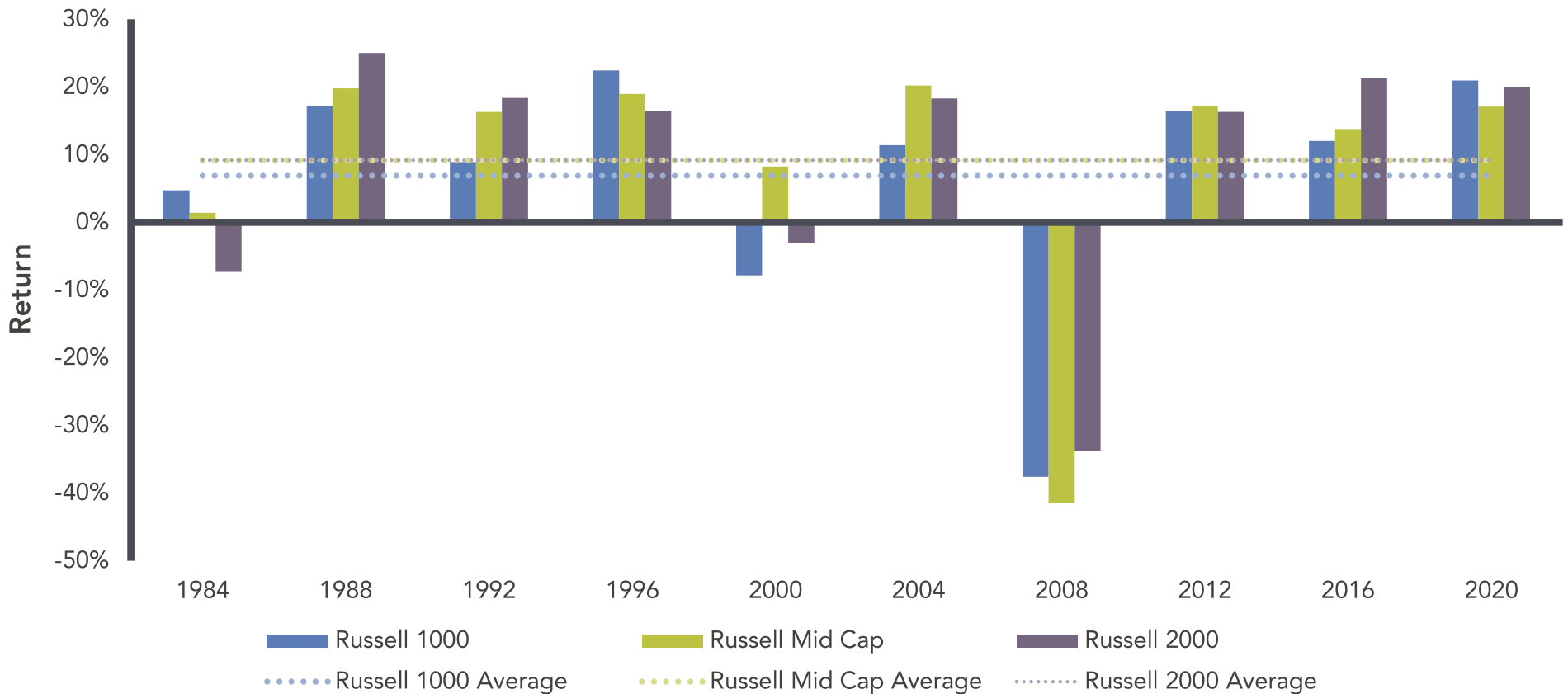
The Magnificent Seven comprises roughly 47% of the Russell 1000 Growth index; NASDAQ reduced weight via two rebalances in 2023



Source: FactSet as of December 31, 2023. The "Magnificent Seven" includes Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla. SPY ETF used as a proxy for S&P 500. IWF ETF used as a proxy for Russell 1000 Growth. QQQ ETF used as proxy for Nasdaq.

# Presidential election years

Presidential election years have historically been positive for equity markets, with double-digit returns in 6 of the last 10 instances



Source: Bloomberg as of December 31, 2023

# Are rate cuts a tailwind for equities?

Rate cuts are typically a positive development for equities, though these cycles have also historically signaled recession

Final Fed Rate Hike	First Fed Rate Cut	S&P 500 Return (%)			Russell 2000 Return (%)		
		Final Hike to First Cut	6 months after	12 months after	Final Hike to First Cut	6 months after	12 months after
3/3/1980	4/1/1980	-8.7	26.1	40.0	-17.0	43.3	64.4
5/8/1981	6/1/1981	1.0	-2.0	-11.1	4.3	-11.3	-20.5
8/21/1984	10/2/1984	-1.8	13.3	18.2	-1.3	10.8	9.1
2/24/1989	6/5/1989	13.3	10.9	18.0	11.8	-2.4	-0.9
2/1/1995	7/6/1995	19.2	12.6	21.4	16.6	9.9	20.3
5/16/2000	1/3/2001	-7.4	-7.7	-13.2	-3.5	3.6	2.0
6/29/2006	9/18/2007	22.1	-15.1	-22.2	14.5	-18.9	-15.0
12/19/2018	8/1/2019	19.2	10.3	13.0	15.9	4.8	-3.2
	<b>Average</b>	<b>7.1</b>	<b>6.1</b>	<b>8.0</b>	<b>5.2</b>	<b>5.0</b>	<b>7.0</b>

Source: Bloomberg data as of December 31, 2023

# U.S. equity valuations by factor

**Value-oriented equities appear attractive, especially among small-caps despite relative strength in December**

Valuation Metrics	Russell 1000 Value		Russell 1000 Growth		Russell Mid Cap Value		Russell Mid Cap Growth		Russell 2000 Value		Russell 2000 Growth	
	Current	Historical Percentile (%)	Current	Historical Percentile (%)	Current	Historical Percentile (%)	Current	Historical Percentile (%)	Current	Historical Percentile (%)	Current	Historical Percentile (%)
P/E	16.8	66	33.8	91	17.5	77	27.6	87	12.0	17	25.3	69
Forward P/E	15.0	74	26.4	87	15.1	69	26.2	90	13.1	38	21.6	72
P/B	2.5	87	12.2	95	2.3	93	10.1	94	1.4	35	4.4	87
P/S	1.7	85	4.4	92	1.4	87	2.5	85	1.0	68	1.9	92
P/CF	11.7	76	23.4	88	11.0	90	21.7	87	8.0	20	23.2	80
EV/EBITDA	10.3	53	19.2	86	11.8	66	17.7	83	12.2	61	19.8	86
<b>Average</b>		<b>74</b>		<b>90</b>		<b>81</b>		<b>88</b>		<b>40</b>		<b>81</b>

Source: Bloomberg as of December 31, 2023. TTM P/E is adjusted for negative earnings. Small-cap forward P/E is adjusted for negative earnings. Percentiles are based on data Jun. 2000 – Dec. 2023.

# Non-U.S. Equities



# Global equity performance

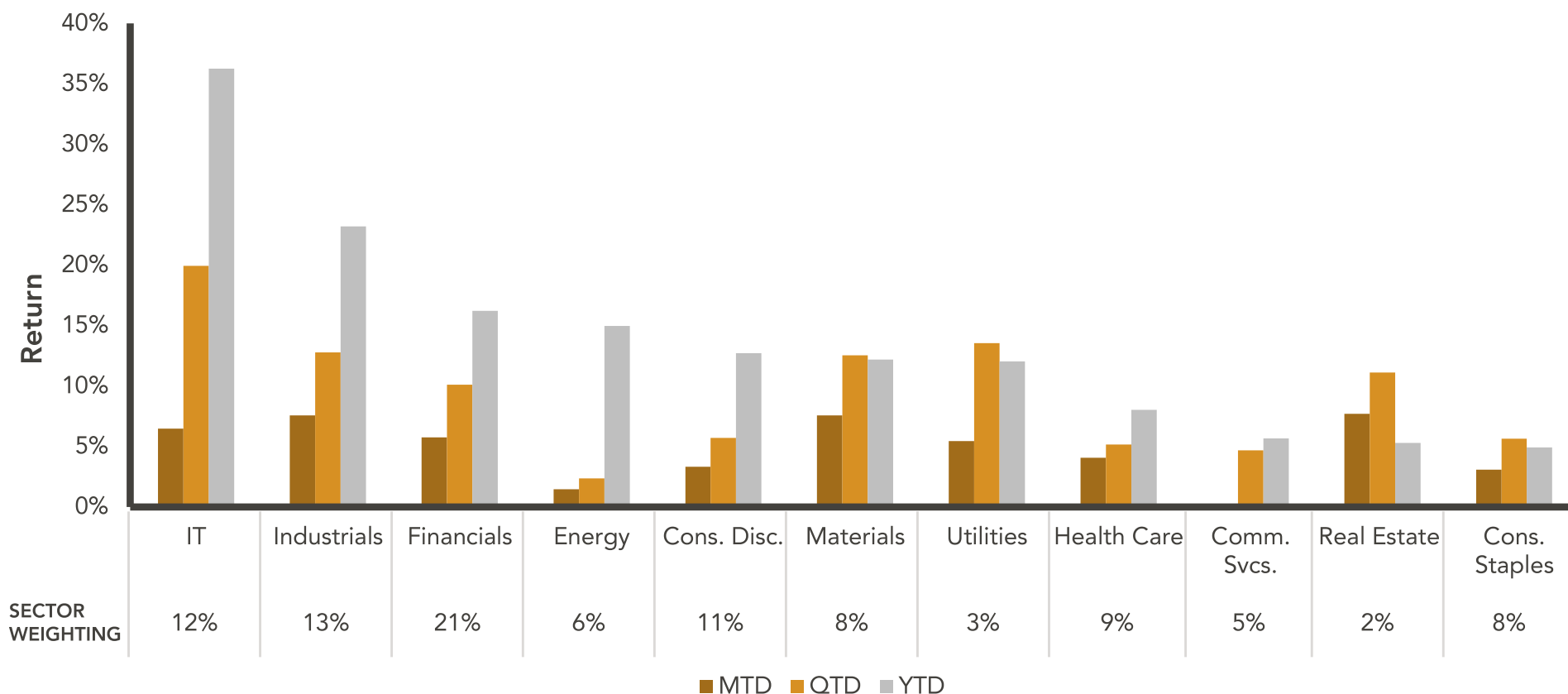
**Global equities generated strong returns in 2023, though emerging markets lagged developed markets due to China's poor performance**

		MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
<b>Global Equity Market Indices</b>	MSCI ACWI	4.8	11.0	22.2	22.2	5.7	11.7	7.9
	MSCI ACWI ex USA	5.0	9.8	15.6	15.6	1.5	7.1	3.8
<b>Developed Markets Indices</b>	MSCI EAFE	5.3	10.4	18.2	18.2	4.0	8.2	4.3
	MSCI EAFE Local	2.9	5.0	16.2	16.2	8.6	9.5	6.6
<b>Emerging Markets Indices</b>	MSCI Emerging Markets	3.9	7.9	9.8	9.8	-5.1	3.7	2.7
	MSCI EM Local	3.1	5.6	9.9	9.9	-2.5	5.4	5.2
<b>Small-Cap Market Indices</b>	MSCI EAFE Small-Cap	7.3	11.1	13.2	13.2	-0.7	6.6	4.8
	MSCI EM Small-Cap	4.4	8.9	23.9	23.9	6.5	9.9	5.3
<b>Frontier Markets Index</b>	MSCI Frontier	3.0	4.0	11.6	11.6	-0.5	3.3	2.0

Source: Bloomberg as of December 31, 2023

# MSCI ACWI ex-U.S. sector performance

In 4Q, Information Technology stocks outperformed those in all other sectors; the IT space ended the year with a significant return of 36%



Source: Bloomberg as of December 31, 2023. Sector weights based on the MSCI ACWI ex USA Index.

# Global equity valuations

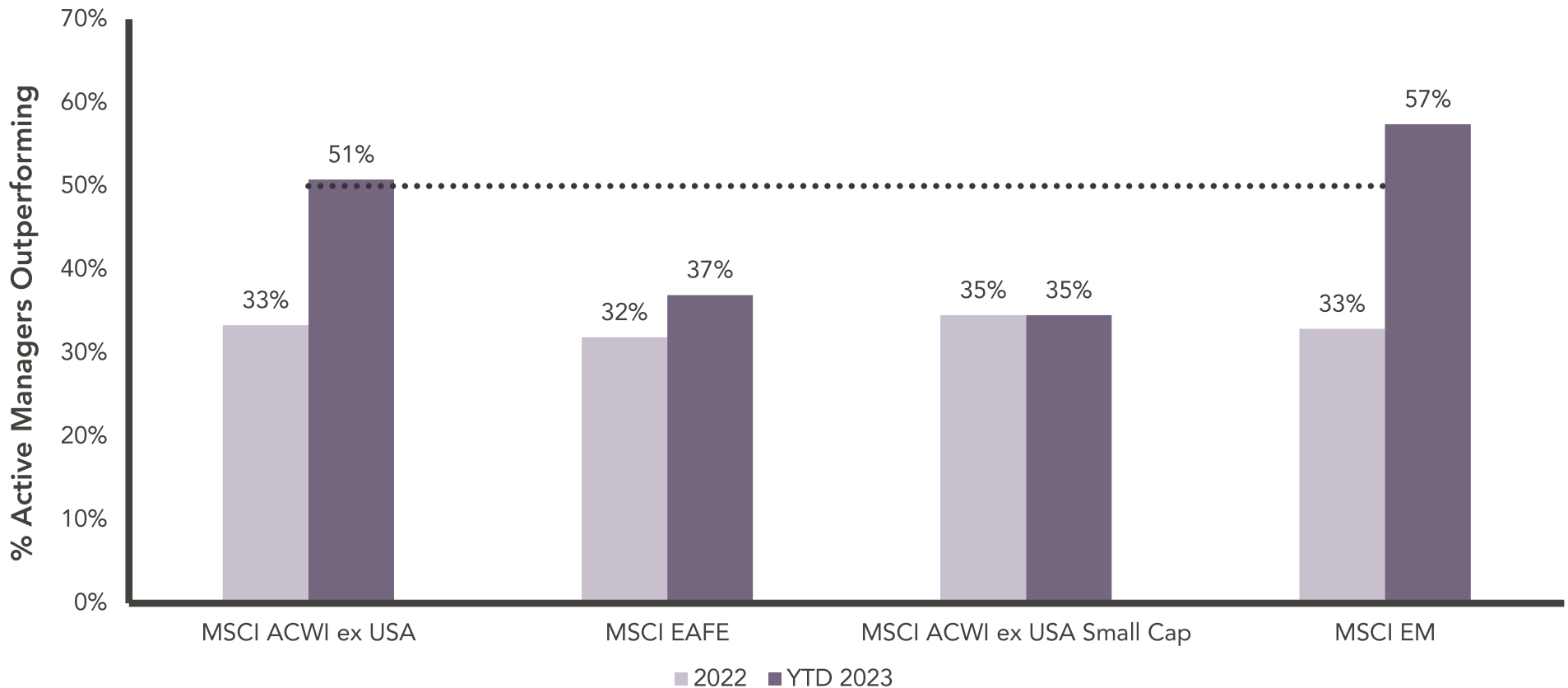
**Valuations of non-U.S. equity indices are in line with their historical averages, but remain attractive relative to the S&P 500**

Valuation Metrics	S&P 500		MSCI EAFE		MSCI EM		MSCI EAFE SC	
	Current	Historical Percentile (%)	Current	Historical Percentile (%)	Current	Historical Percentile (%)	Current	Historical Percentile (%)
P/E	23.4	91	14.0	30	12.7	63	14.5	34
Forward P/E	19.6	91	13.7	64	11.8	75	12.4	35
P/B	4.5	96	1.8	64	1.6	43	1.3	44
P/S	2.6	94	1.4	94	1.3	67	0.9	67
P/CF	16.1	91	9.4	58	8.3	57	10.6	58
EV/EBITDA	13.4	85	8.9	8	9.0	87	9.6	30
<b>Average</b>		<b>91</b>		<b>53</b>		<b>65</b>		<b>45</b>

Source: Bloomberg as of December 31, 2023, data pulled January 2, 2024. P/E is adjusted for negative earnings; percentiles are based on data going back to 1999 except for FP/E which goes back to 2005.

# Active manager performance

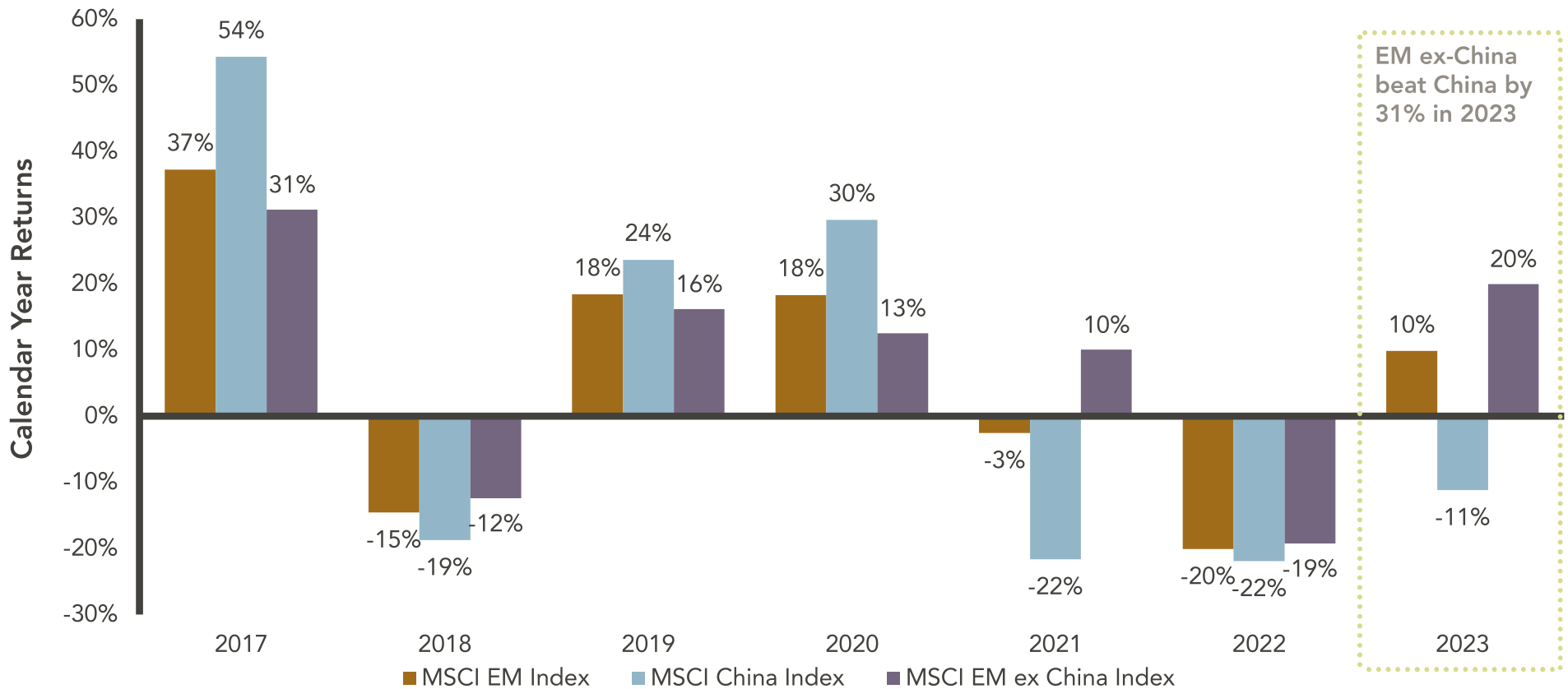
**2023 was another challenging year for active international equity managers, especially in the EAFE and non-U.S. small-cap spaces**



Source: Morningstar as of December 31, 2023. Data on actively managed mutual funds pulled on January 3, 2024.

# Emerging markets ex-China outperformed in 2023

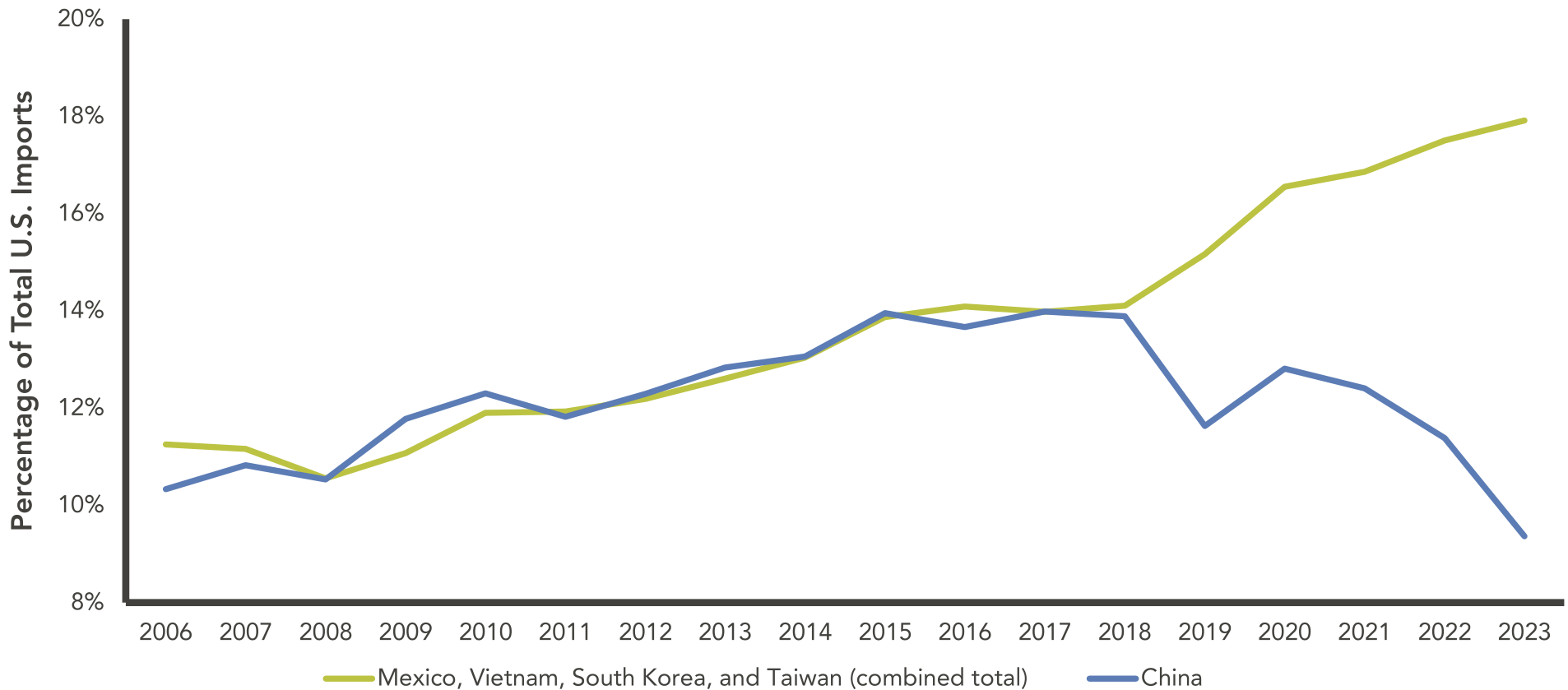
Supply chain trends, favorable demographics, AI themes, and policy changes support continued strength from emerging markets ex-China



Source: Bloomberg

# Opportunities for EM outside of China

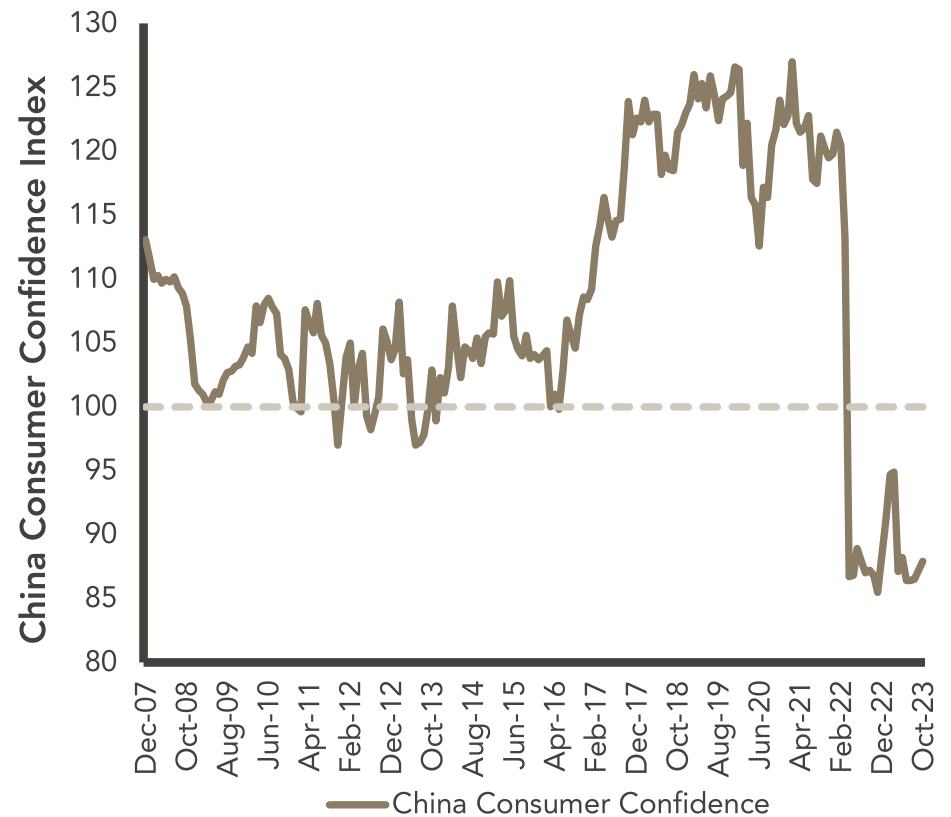
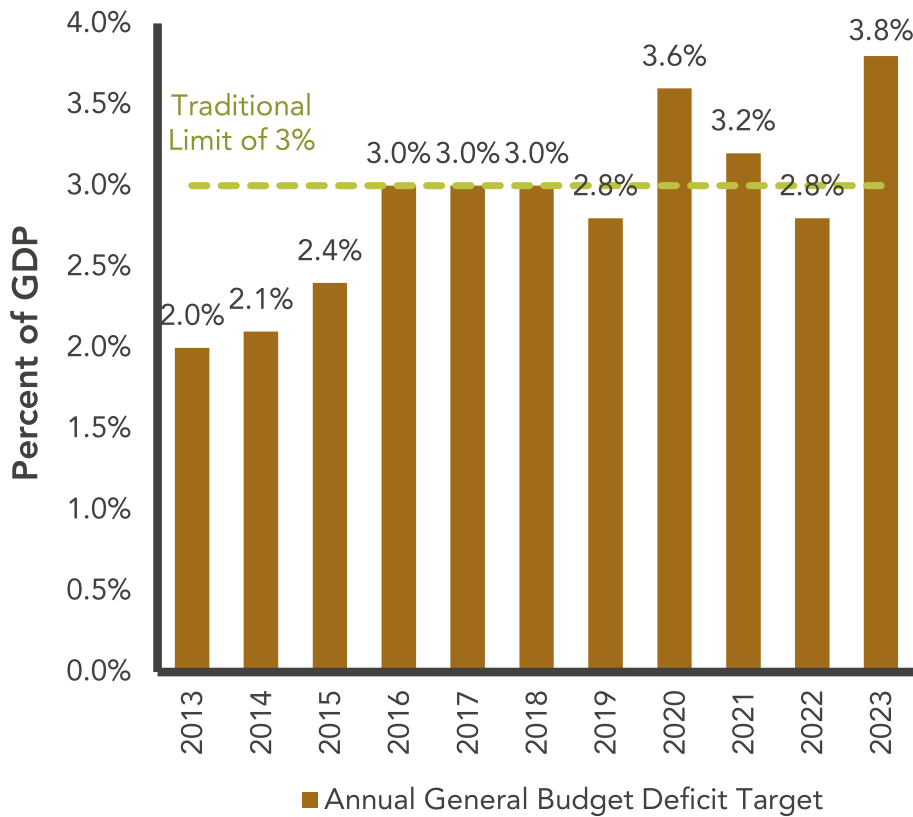
Supply chain restructuring has led to increased trade between the U.S. and several EM ex-China countries (Mexico, Vietnam, South Korea, and Taiwan)



Source: Bureau of Economic Analysis as of September 30, 2023

# Consumer confidence in China remains low

Despite stimulus measures, consumers in China remain cautious; a rebound in confidence would likely support Chinese equity markets



Source: Bloomberg

# 2024 will be the ultimate election year

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**There are national elections expected in more than 60 countries this year, and uncertainty surrounding results could lead to market volatility**





# Hedge Funds

# Hedge fund performance

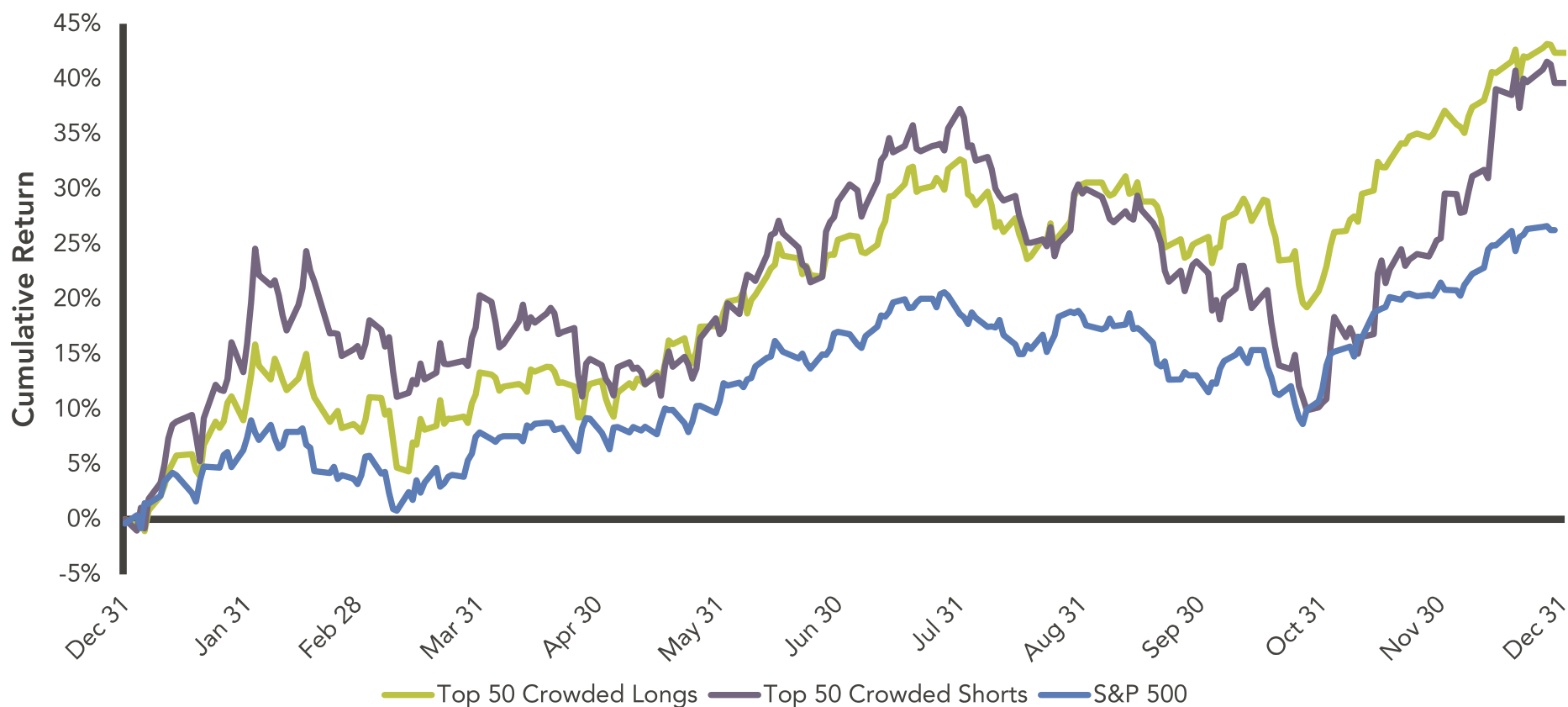
**Most major hedge fund strategy types notched gains in 2023, with put-write and event-driven funds notching the strongest returns**

	MTD (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
HFRX Global	1.4	1.7	3.1	3.1	0.7	3.5	1.4
HFRX Hedged Equity	1.6	3.6	6.9	6.9	5.1	6.1	2.9
HFRI Composite	2.6	3.6	7.5	7.5	4.3	7.0	4.5
HFRI Fund of Funds	2.3	3.4	6.3	6.3	2.3	5.1	3.3
HFRI Convertible Arbitrage	1.4	1.4	4.8	4.8	3.8	6.8	4.8
HFRI Equity Hedge	3.6	5.5	10.4	10.4	3.5	8.2	5.2
HFRI Event-Driven	4.5	5.8	10.7	10.7	5.8	6.8	4.7
HFRI Macro	0.6	-1.0	-0.6	-0.6	5.3	5.5	3.1
HFRI Merger Arbitrage	3.8	4.7	6.2	6.2	6.5	6.3	4.8
HFRI Relative Value	1.5	2.8	7.2	7.2	4.6	4.9	4.0
CBOE S&P 500 PutWrite	1.4	4.6	14.3	14.3	8.7	8.3	6.6

Source: Bloomberg, Hedge Fund Research, CBOE as of December 31, 2023

# Long/short spread

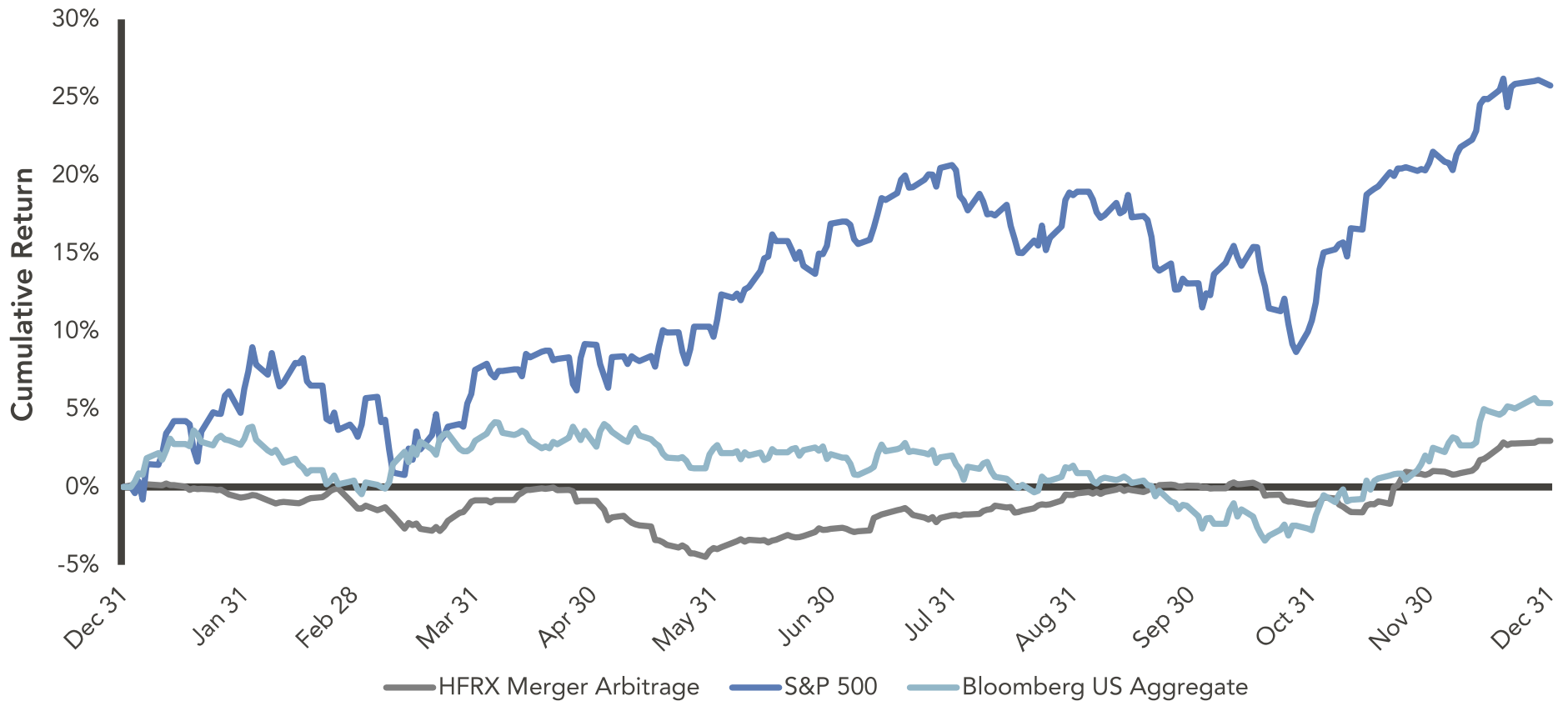
Though 4Q proved challenging on the short side due to a market rally, the long/short spread was positive in 2023 due to favorable long alpha



Source: Bloomberg, Morgan Stanley Prime Brokerage as of December 31, 2023. Crowded longs and shorts are based on North America hedge funds.

# Ups and downs for merger arbitrage in 2023

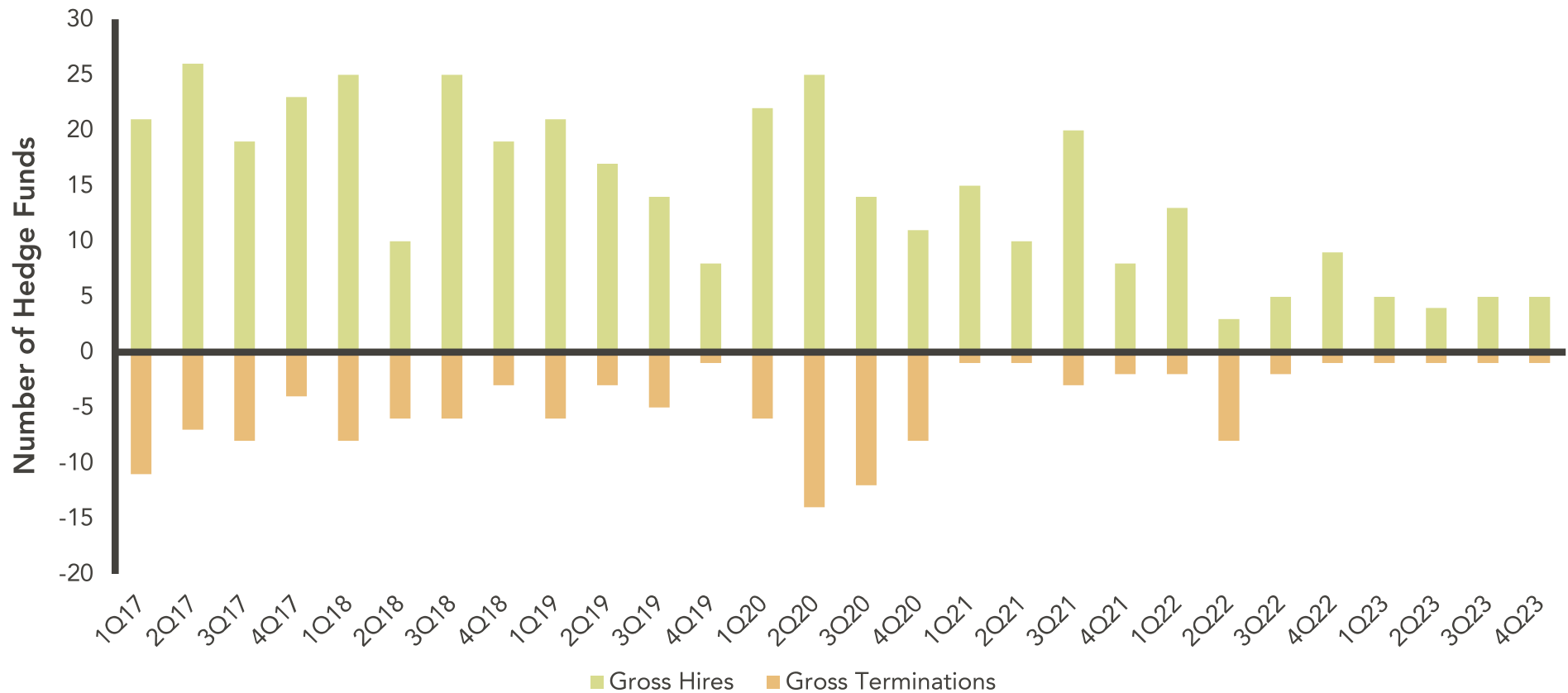
A dynamic regulatory environment led to swings in the performance of merger arbitrage strategies over the last twelve months



Source: Bloomberg, Hedge Fund Research as of December 31, 2023

# Hedge fund demand remains tepid among institutions

According to P&I, the last several quarters have seen few new hedge fund mandates across the institutional space, signaling muted demand



Source: Bloomberg, Pensions & Investments as of December 31, 2023

# Real Estate

# Real estate performance

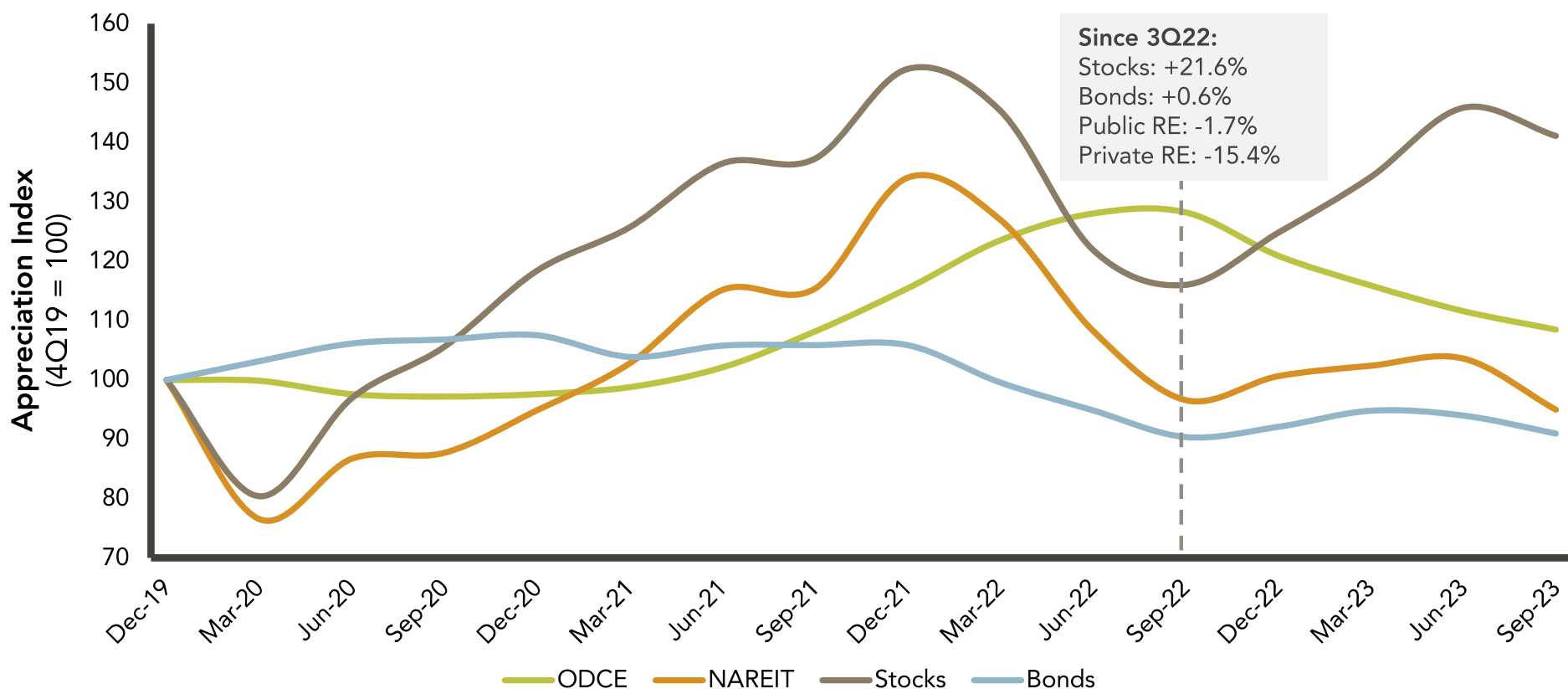
**Valuation write-downs, particularly in the office sector, drove negative real estate performance for the fourth consecutive quarter**

	QTD (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
<b>NPI</b>	<b>-1.4</b>	<b>-5.1</b>	<b>-8.4</b>	<b>6.0</b>	<b>5.3</b>	<b>7.4</b>
Income	1.1	3.2	4.1	4.1	4.2	4.6
Appreciation	-2.4	-8.1	-12.1	1.9	1.0	2.7
<b>NFI-ODCE</b>	<b>-1.9</b>	<b>-7.6</b>	<b>-12.1</b>	<b>7.1</b>	<b>5.7</b>	<b>8.2</b>
Income	0.9	2.6	3.5	3.7	3.8	4.2
Appreciation	-2.8	-10.0	-15.2	3.4	1.8	3.8
<b>FTSE NAREIT All Eq. REITs</b>	<b>-8.3</b>	<b>-5.6</b>	<b>-1.7</b>	<b>2.7</b>	<b>2.8</b>	<b>6.1</b>
<b>Property Type</b>						
NPI Multifamily	-1.4	-4.5	-7.6	7.4	6.0	7.3
NPI Industrial	-0.3	-1.8	-5.3	19.1	16.1	14.8
NPI Office	-3.7	-12.9	-17.1	-3.6	-0.4	4.1
NPI Retail	-0.1	0.2	-1.4	1.9	0.1	4.8
NPI Hotel	1.9	8.4	12.0	6.7	-0.4	3.9
<b>Geographic Sectors</b>						
NPI East	-1.6	-6.4	-10.0	3.2	3.1	5.4
NPI Midwest	-0.7	-3.5	-6.8	3.5	2.5	5.4
NPI South	-0.5	-2.2	-4.6	8.8	6.8	8.4
NPI West	-1.8	-6.0	-9.6	7.3	6.6	9.0

Source: NCREIF as of September 30, 2023

# Denominator effect is reversing

In the last year, stocks have rebounded by 20% while private real estate has corrected by 15%; this has reversed the denominator effect

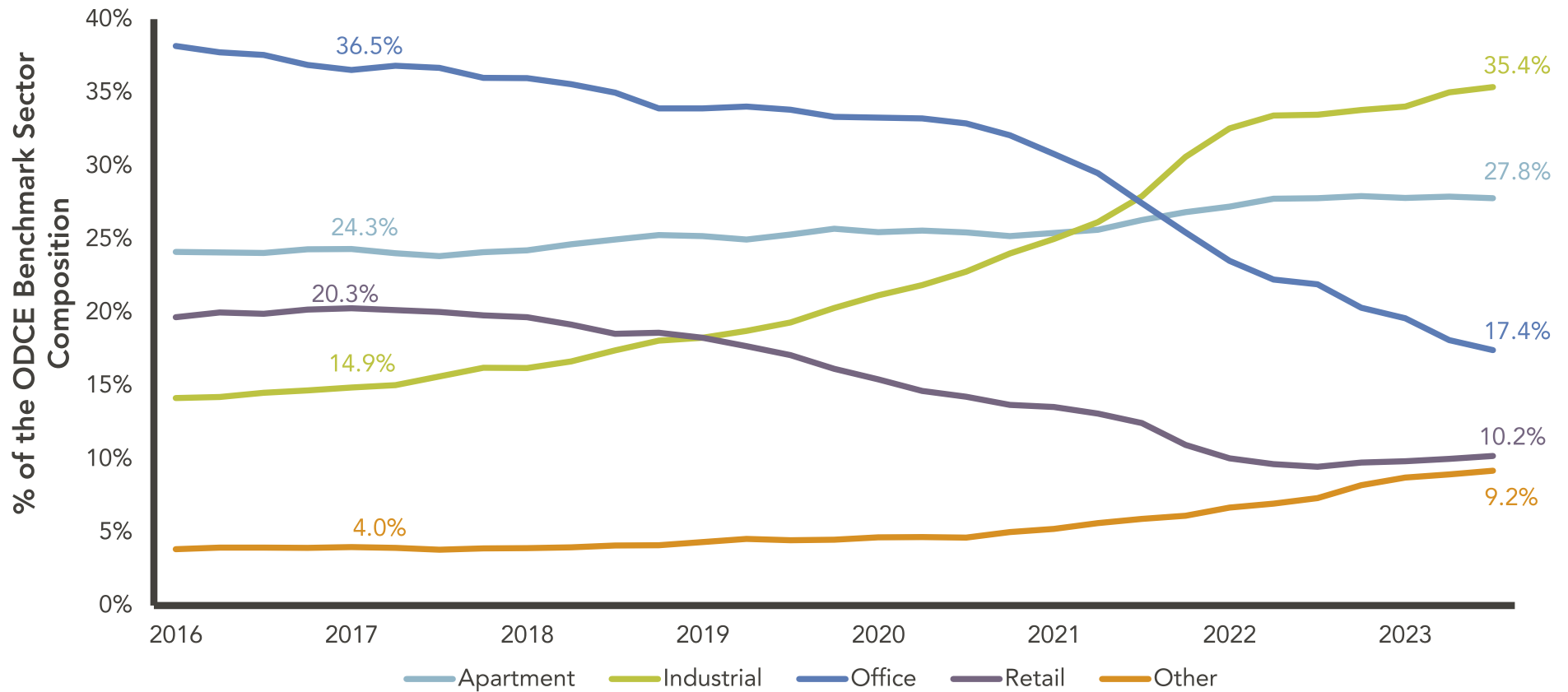


Source: NCREIF, Bloomberg, Morgan Stanley as of November 30, 2023. Private real estate represented by NPPIODCE, Public real estate by FNERTR, Stocks by SPXT and Bonds by LBUSTRUU



# Changing investment themes within real estate

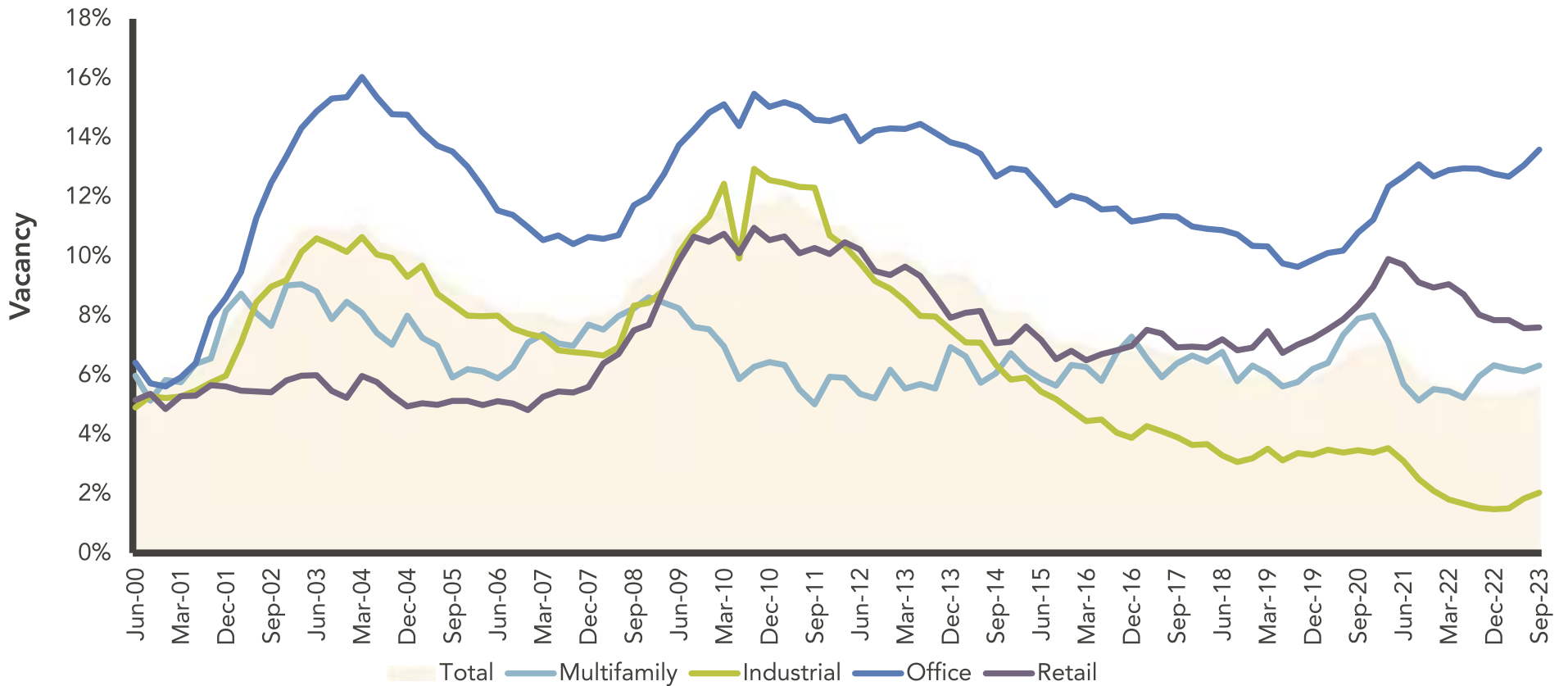
Going forward, industrial and apartment/rental housing allocations are likely to continue to rise while retail/office will likely decline



Source: NCREIF as of September 30, 2023

# Vacancy rates

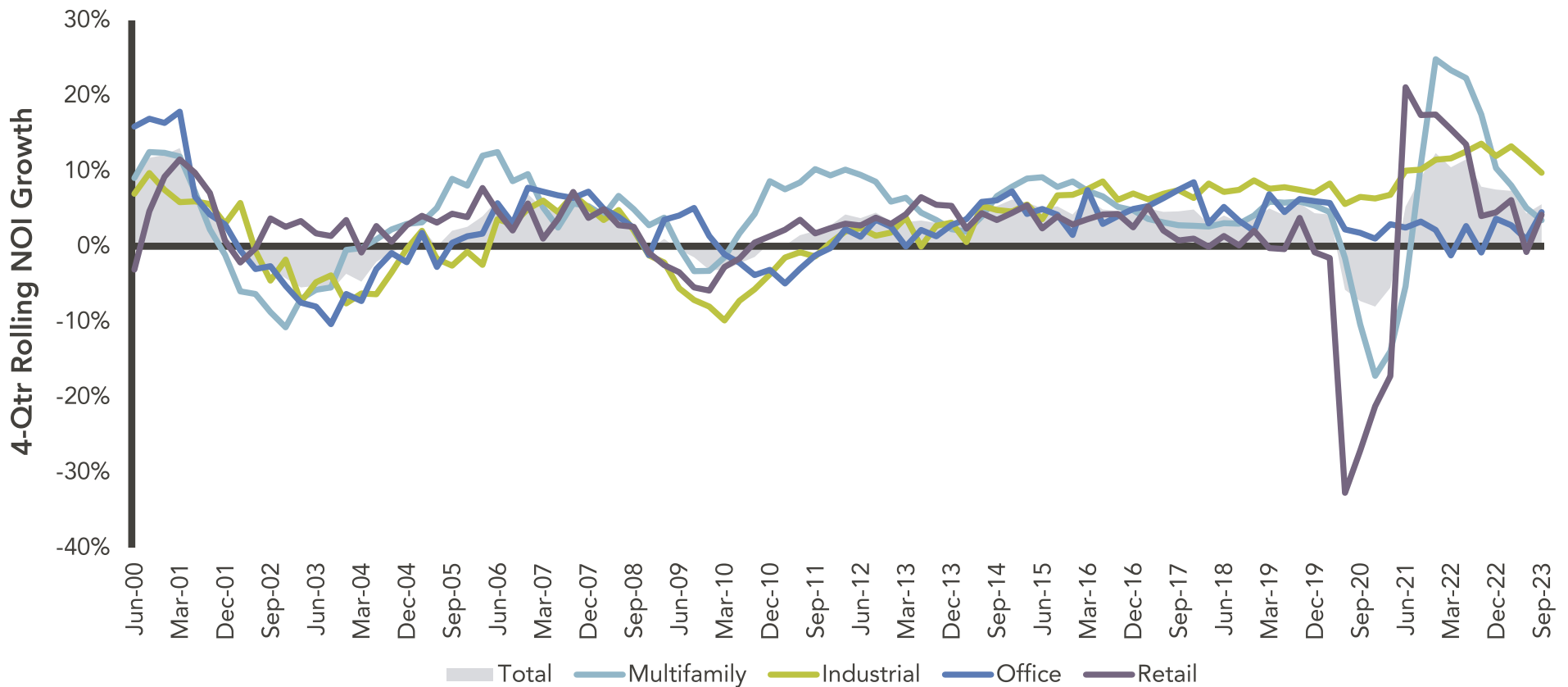
Industrial vacancy rates remain near all-time lows, while office vacancy continues to climb



Source: NCREIF (NPI Trends Report) as of September 30, 2023

# NOI growth

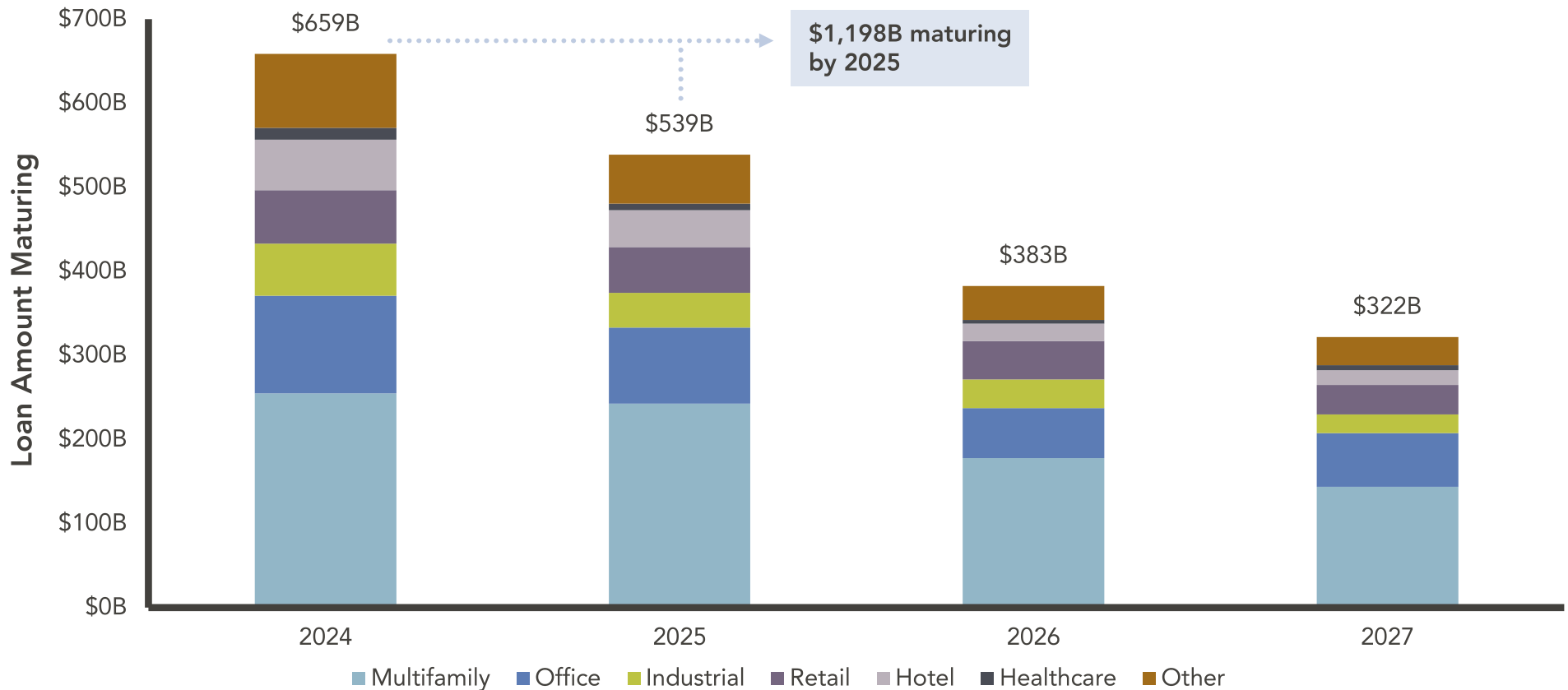
NOI growth has generally remained positive; the impact to office will continue as leases come up for renewal



Source: NCREIF (NPI Trends Report) as of September 30, 2023

# U.S. commercial real estate debt

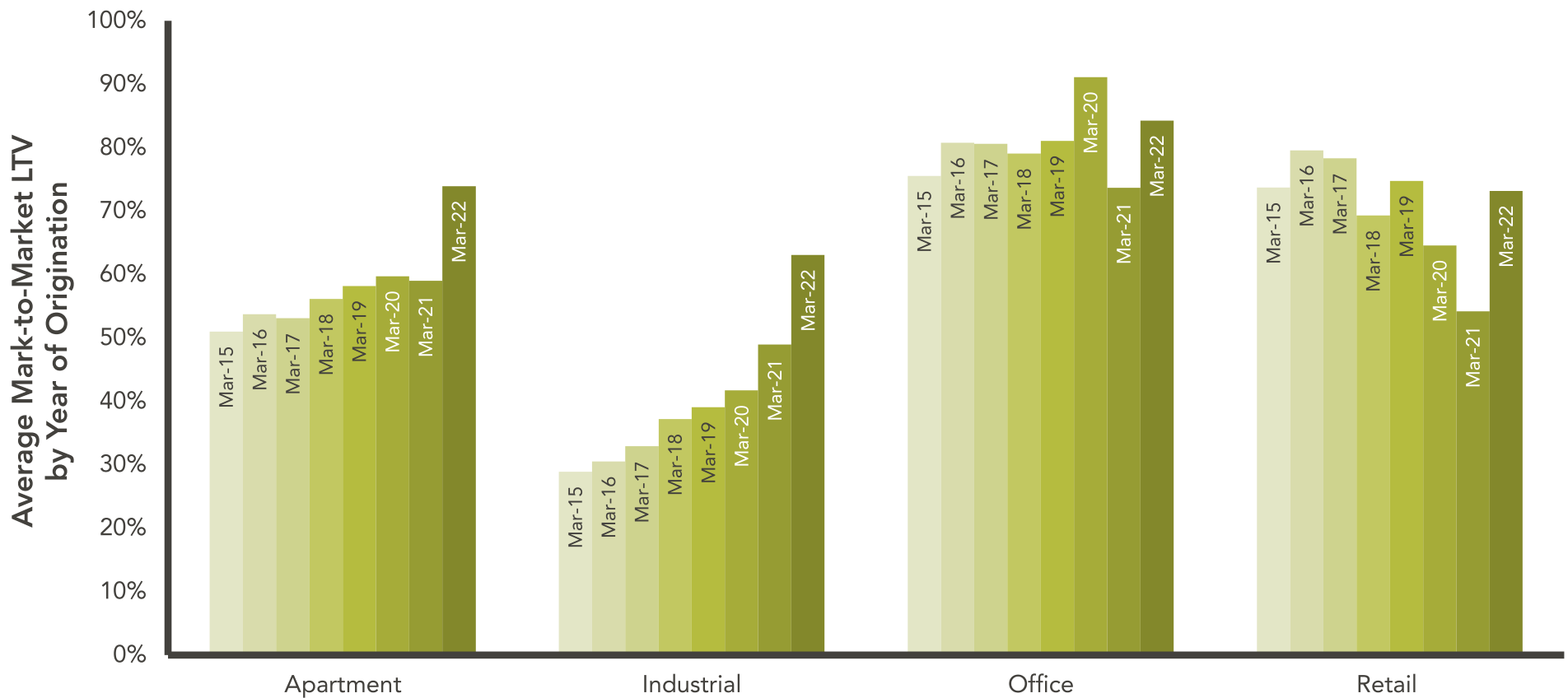
A sizeable pool of real estate loans maturing in 2024, particularly within the office space, could put further pressure on the sector



Source: Mortgage Brokers Association, JPMorgan as of September 30, 2023

# Average mark-to-market LTV

Not all loan maturities are equally problematic, as industrial and apartment market values have increased in recent years



Source: America Council of Life Insurance (ACLI), AEW as of August 31, 2023

# Expected returns by property type

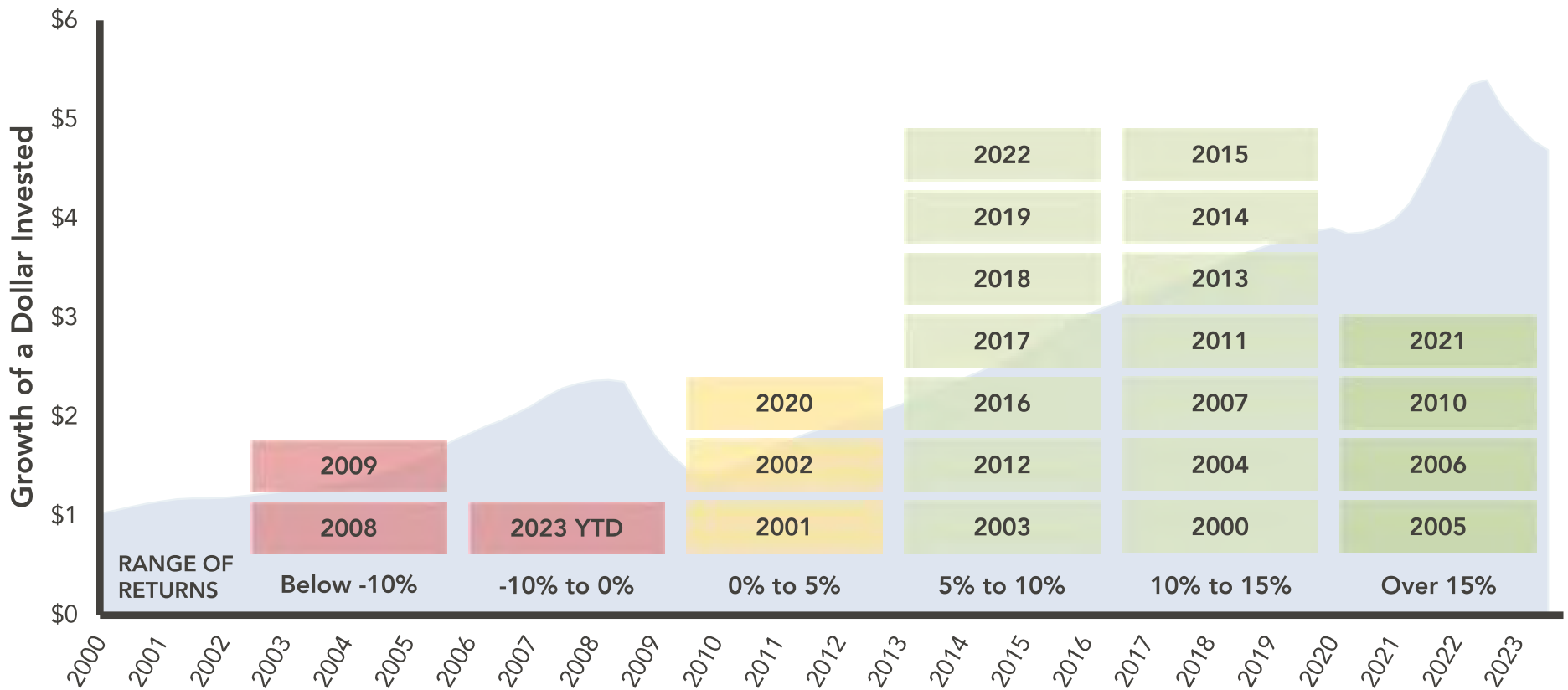
Leasing activity and mark-to-market rent growth, rather than cap rate compression, are expected to drive real estate returns through 2027



Source: PREA Consensus Survey, AEW as of September 30, 2023

# Private real estate annual performance over time

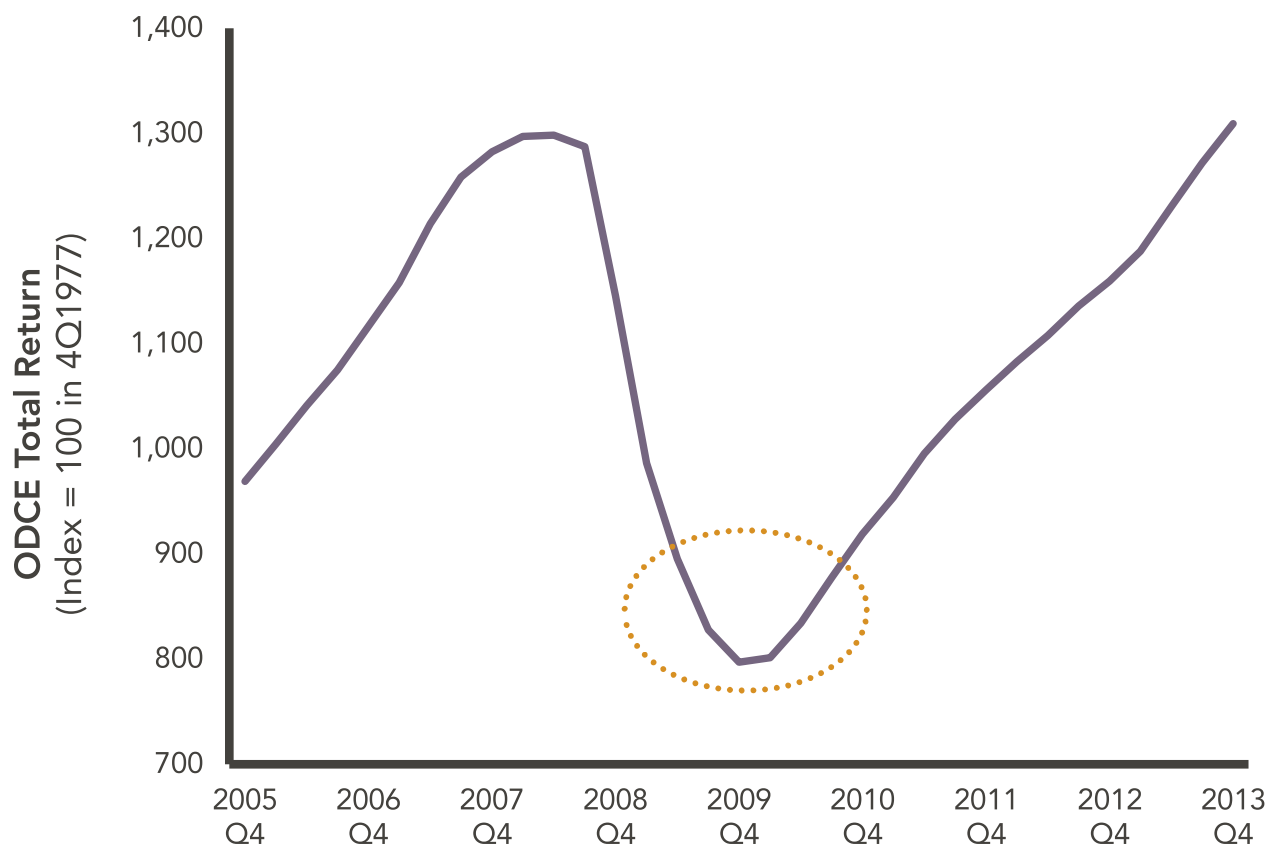
The ODCE benchmark has provided positive net returns in 21 of the past 24 calendar years



Source: NCREIF as of September 30, 2023

# No need to time the bottom

Based on recent history, one of the benefits of being a long-term real estate investor is not needing to "time the bottom"



Early 1990s	5 Year Return	
	1995 Q2	11.9%
	1995 Q3	12.3%
<b>Trough</b>	<b>1995 Q4</b>	<b>13.0%</b>
	1996 Q1	13.0%
	1996 Q2	12.7%

Tech Crash	5 Year Return	
	2002 Q1	12.7%
	2002 Q2	13.5%
<b>Trough</b>	<b>2002 Q3</b>	<b>14.0%</b>
	2002 Q4	14.0%
	2003 Q1	12.5%

Financial Crisis	5 Year Return	
	2009 Q3	11.3%
	2009 Q4	12.9%
<b>Trough</b>	<b>2010 Q1</b>	<b>13.4%</b>
	2010 Q2	13.3%
	2010 Q3	12.9%

Source: NCREIF, AEW as of September 30, 2023



# Opportunities and risks in real estate

## Opportunities

### **Sector opportunities due to market dislocations**

Ongoing housing supply shortfalls and tighter lending conditions continue to present home-buying hurdles for Millennials and Gen Z, creating tailwinds for the multifamily and single-family rental markets.

### **Resilient hedge against inflation and floating-rate debt**

Shorter-duration lease structures for apartments, single-family rentals, and hospitality allow real estate managers to mark rents to current market rates and pass through incremental maintenance, renovation, and financing costs.

### **Non-core opportunities in a distressed environment**

Despite a challenging fundraising environment, sector-focused and opportunistic managers are well-positioned to drive returns via targeted deal flow, light CapEx renovations, and asset repositioning at the property level. Real estate investors can enter distressed debt and secondary market opportunities at unlevered, discounted entry points.

## Risks

### **Elevated debt costs and growing redemption queues**

Higher construction and borrowing costs could force real estate investors to source returns from value-add acquisitions rather than ground-up development. Uncertain wait times and large redemption queues have presented institutional investors with renewed challenges in offsetting the current market volatility and the resulting “denominator effect”.

### **Valuation declines and slowing rental growth**

All 25 funds in the NFI-ODCE reported negative appreciation in the third quarter and downward pressure on pricing is expected to persist for the first half of 2024. In addition, some income levels are deteriorating. This trend reflects the impact of the rising cost of variable-rate debt and lower in-place rents in many industrial and office portfolios.

### **A hawkish Fed and muted transaction volume**

A hawkish Fed, slowing rent growth, and geopolitical uncertainty are widening property bid-ask spreads. Broader concerns about a recession and limited debt financing have negatively impacted portfolio underwriting, fundraising, and acquisitions/dispositions.

# Private Equity

# Private equity performance

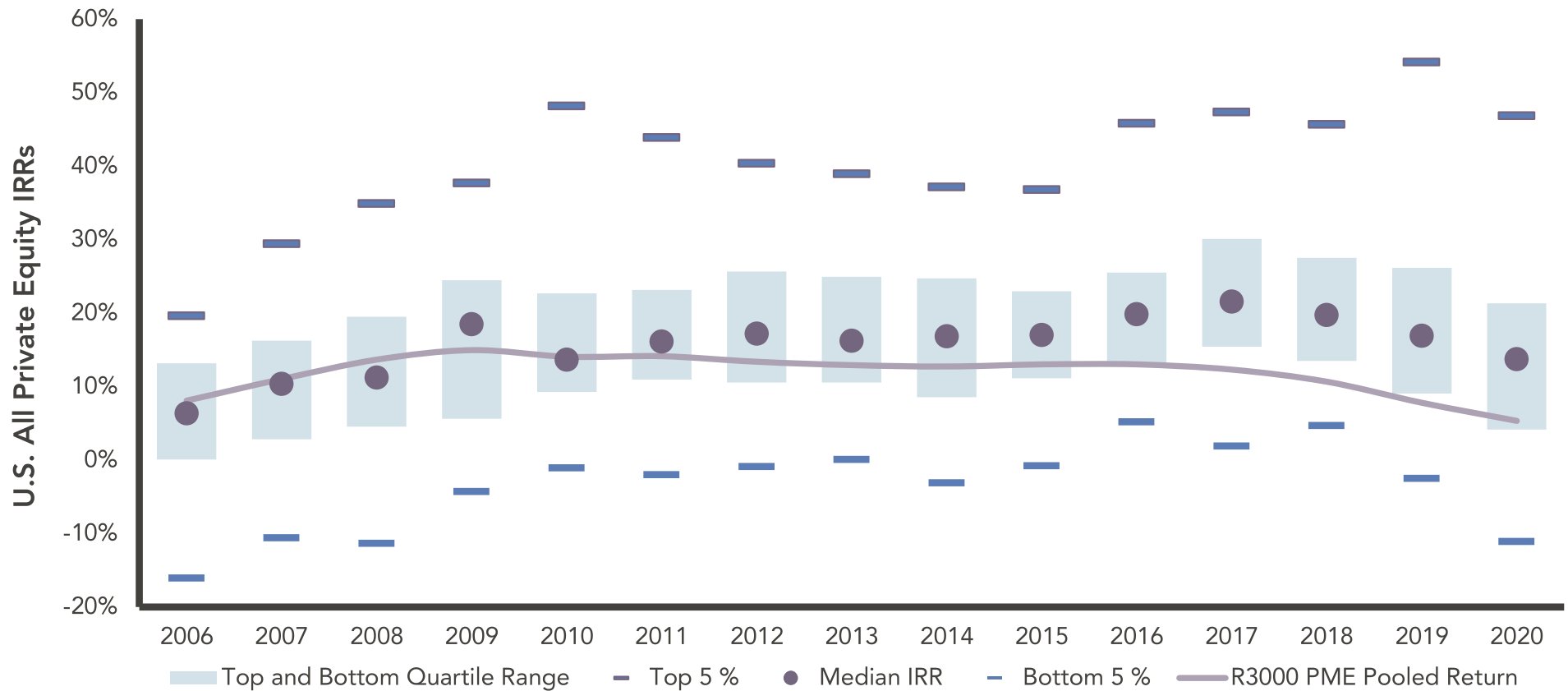
**Private equity returns lagged those of public market indices in 3Q, though performance is still attractive on a longer-term basis**

	3Q23 (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
<b>Global Private Equity</b>	<b>2.7</b>	<b>3.3</b>	<b>15.7</b>	<b>15.7</b>	<b>15.2</b>
Global Buyout	5.2	9.2	17.4	15.7	15.0
Global Expansion	2.0	3.4	6.4	6.4	7.9
Global Venture Capital	-2.8	-8.7	13.4	17.0	14.0
<b>U.S. Private Equity</b>	<b>3.2</b>	<b>2.0</b>	<b>18.2</b>	<b>17.9</b>	<b>16.6</b>
U.S. Buyout	6.0	8.2	19.2	17.2	16.3
U.S. Expansion	2.6	4.1	12.6	10.3	12.1
U.S. Venture Capital	-3.4	-11.0	16.2	19.5	17.6
<b>MSCI All Country World Index</b>	<b>-3.4</b>	<b>20.8</b>	<b>6.9</b>	<b>6.5</b>	<b>7.6</b>
<b>S&amp;P 500</b>	<b>-3.3</b>	<b>21.6</b>	<b>10.2</b>	<b>9.9</b>	<b>11.9</b>
<b>Russell 3000</b>	<b>-3.3</b>	<b>20.5</b>	<b>9.4</b>	<b>9.1</b>	<b>11.3</b>
<b>Russell 2000 Growth</b>	<b>-7.3</b>	<b>9.6</b>	<b>1.1</b>	<b>1.6</b>	<b>6.7</b>

Source: Burgiss Pooled Returns, Bloomberg as of September 30, 2023

# U.S. private equity vintage performance

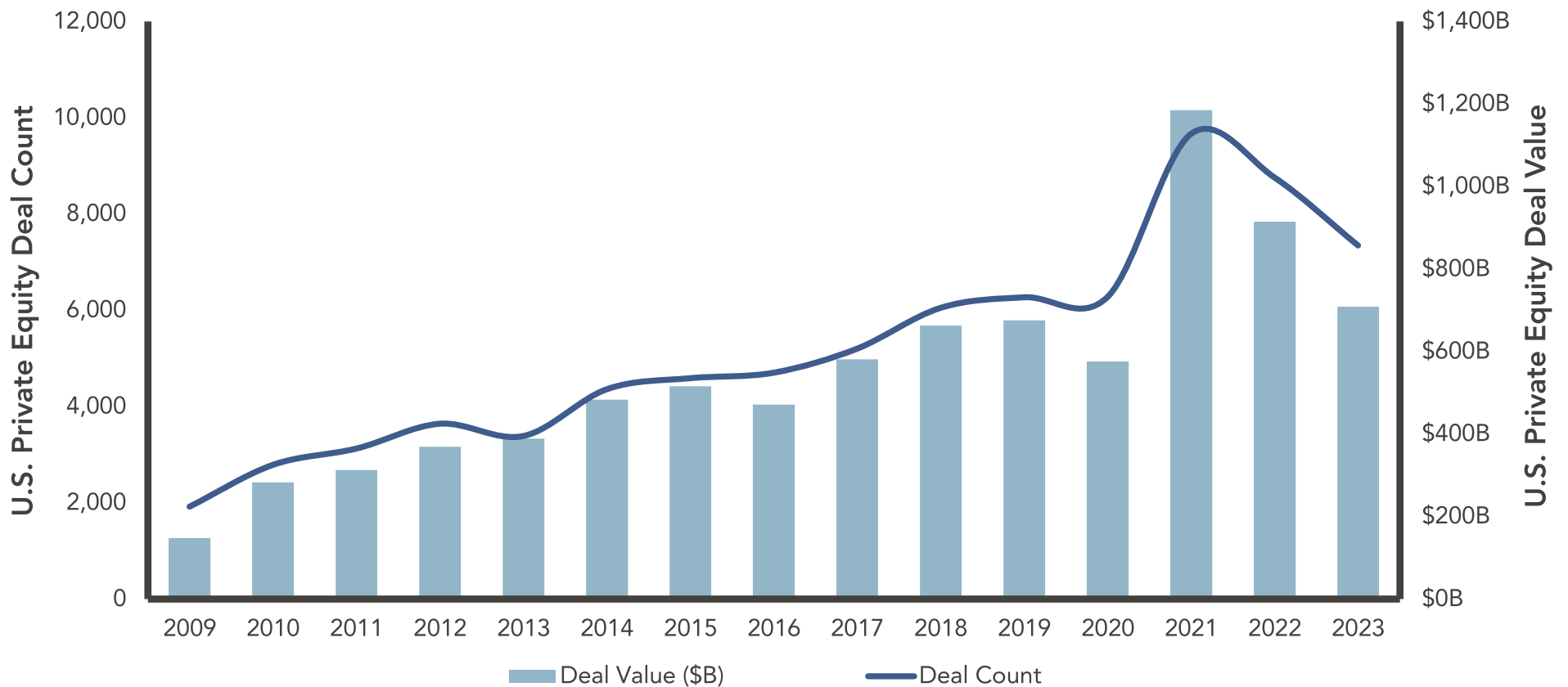
Private equity performance continues to be strong, with the median industry return exceeding the public market equivalent



Source: Burgiss U.S. All Private Equity Public Market Equivalent, Pooled Returns as of September 30, 2023

# Private equity deployment

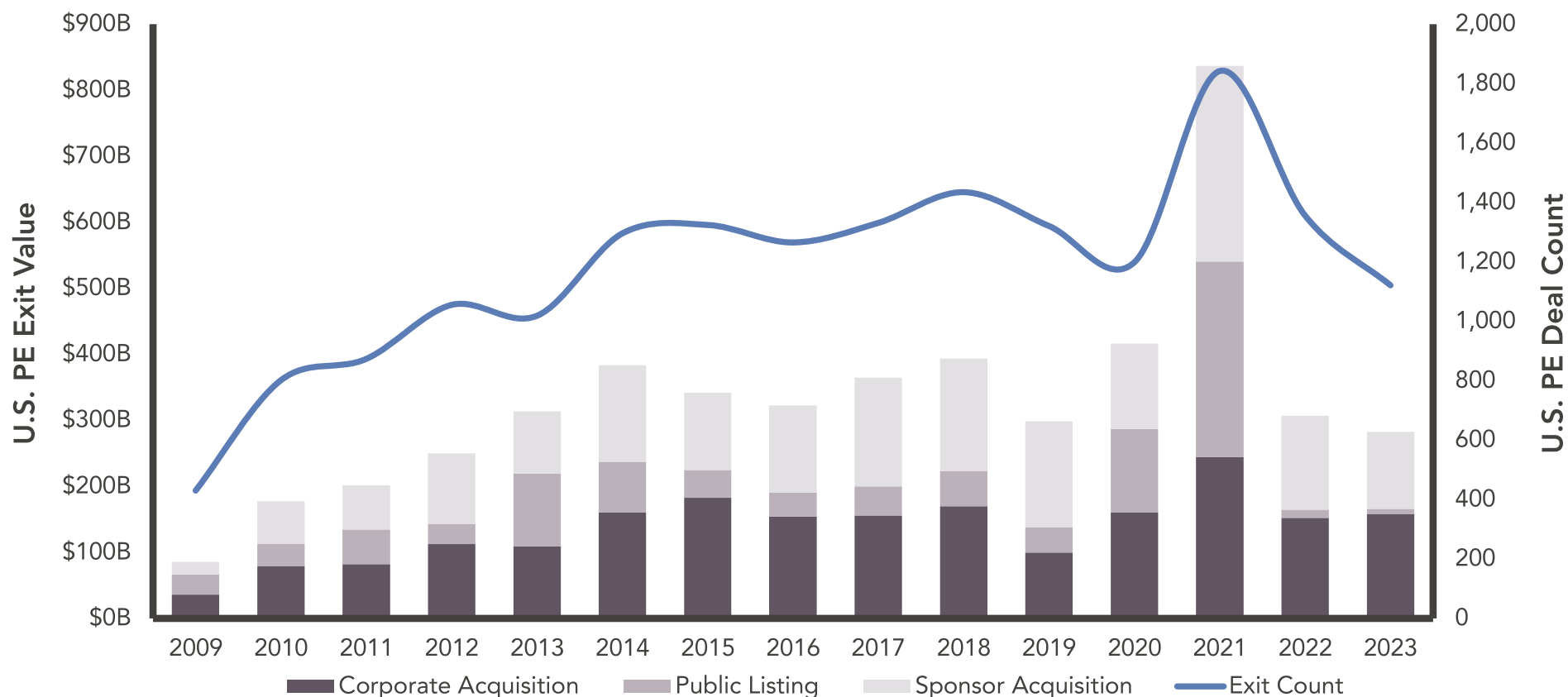
Higher interest rates have caused deal-making to slow relative to 2021 highs, though activity continues to be in line with historical levels



Source: Pitchbook, U.S. PE Breakdown Summary as of December 31, 2023

# Private equity exit activity

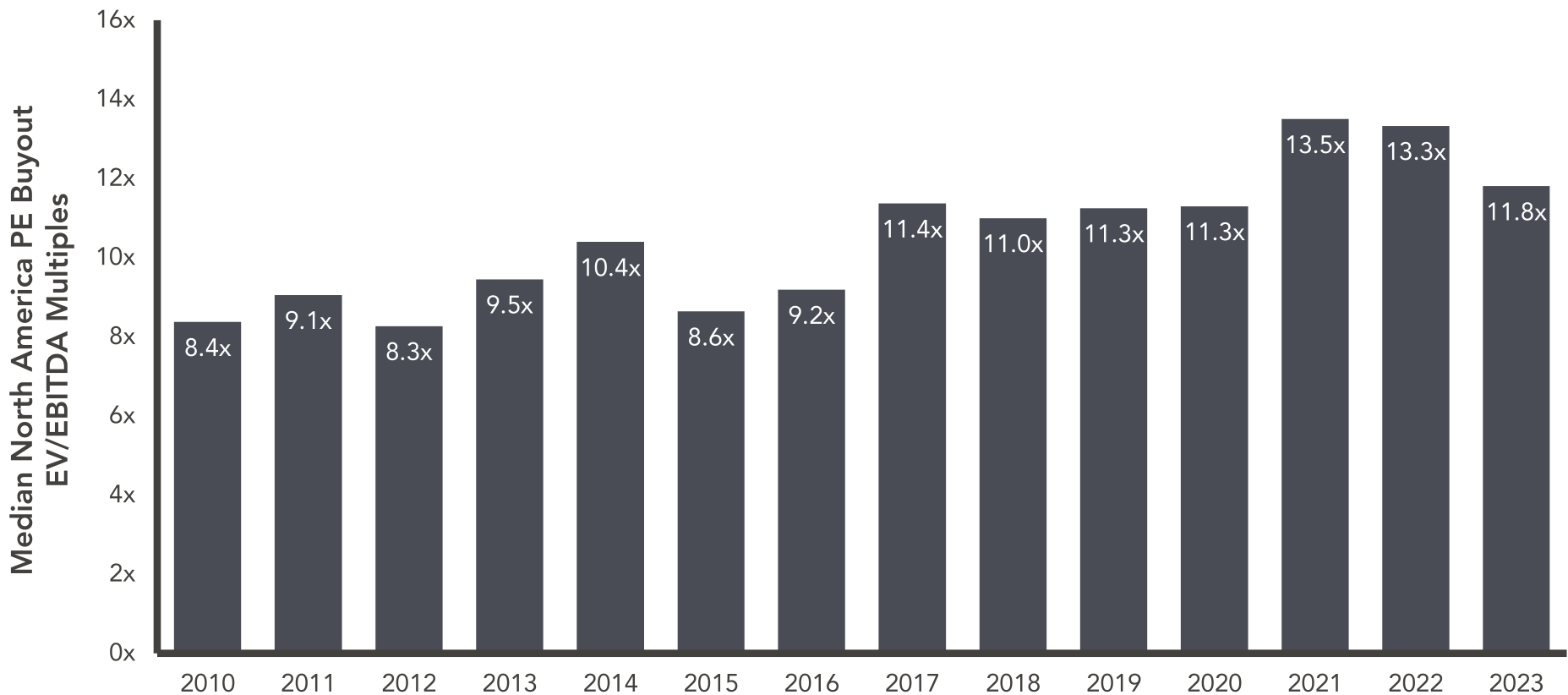
Private equity firms are continuing to hold assets until exit and credit conditions improve



Source: Pitchbook as of December 31, 2023

# Median EV/EBITDA multiples

Valuations are declining in private equity, creating potential buying opportunities



Source: Pitchbook as of December 31, 2023

# Private Credit



# Private credit performance

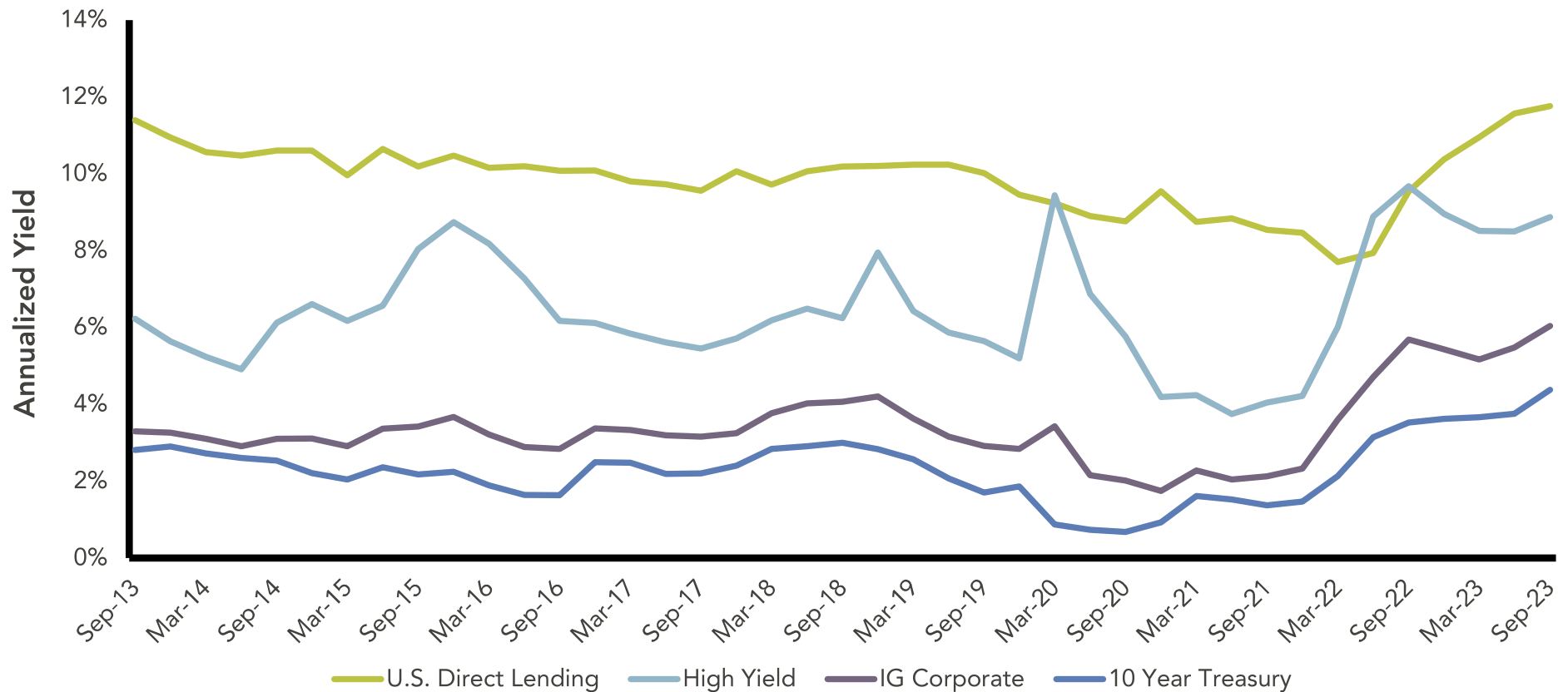
**Private credit performance was positive in 3Q, but the space modestly underperformed the Credit Suisse Leveraged Loan Index**

	3Q23 (%)	YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)
Private Credit	1.2	5.8	9.0	10.3	7.8	8.0
Middle Market Direct Lending	3.2	8.9	11.1	10.6	8.6	8.9
Credit Suisse Leveraged Loan	3.4	9.9	12.5	5.9	4.3	4.3
Bloomberg High Yield	0.5	5.9	10.3	1.8	3.0	4.2
Bloomberg Aggregate	-3.2	-1.2	0.6	-5.2	0.1	1.1
DJ Industrial Average	-2.1	2.7	19.2	8.6	7.1	10.8
S&P 500	-3.3	13.1	21.6	10.2	9.9	11.9
Russell 3000	-3.3	12.4	20.5	9.4	9.1	11.3

Source: Burgiss All Debt universe, Cliffwater, Bloomberg as of September 30, 2023. All data calculated based on quarterly returns.

# Historical yields

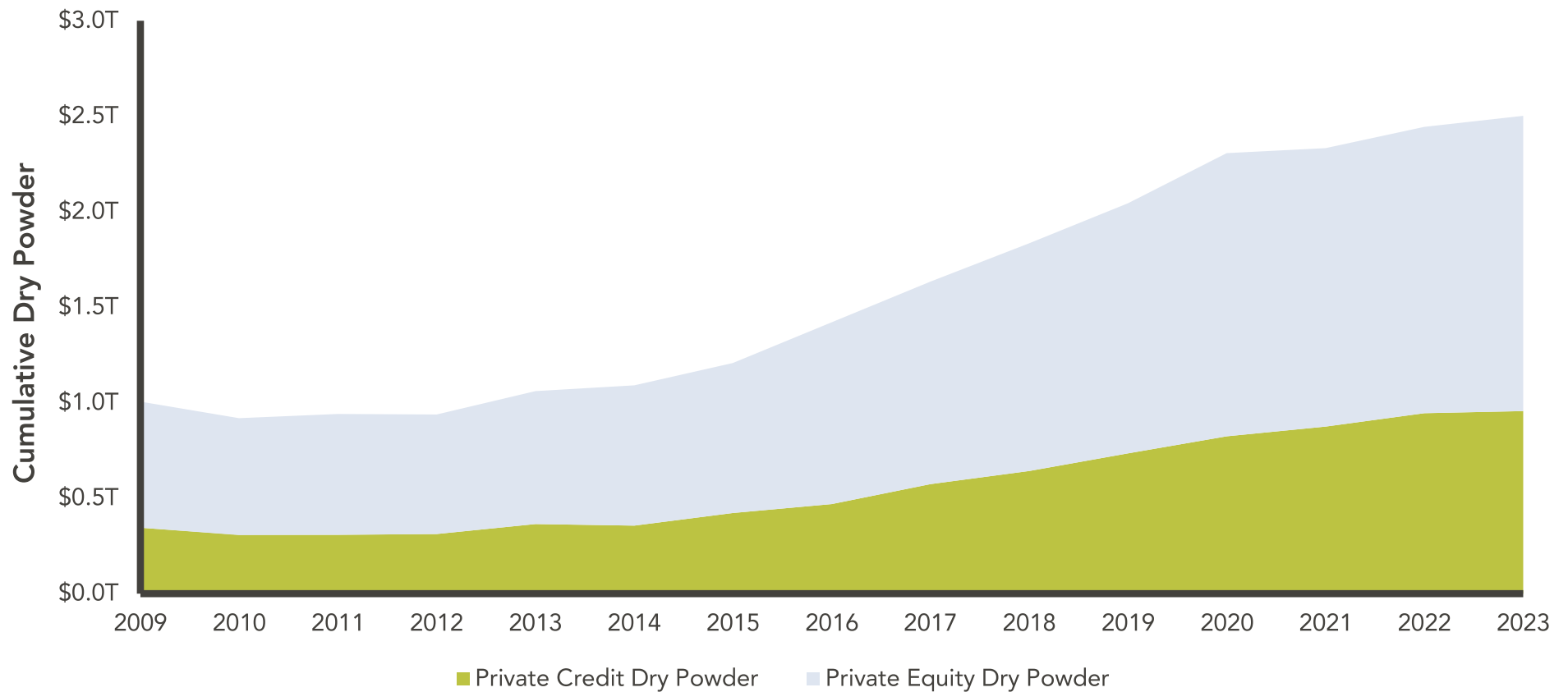
Private credit has benefited from higher rates and consistently offered enhanced yield compared to traditional fixed income securities



Source: Bloomberg, Credit Suisse, Cliffwater as of September 30, 2023

# Dry powder

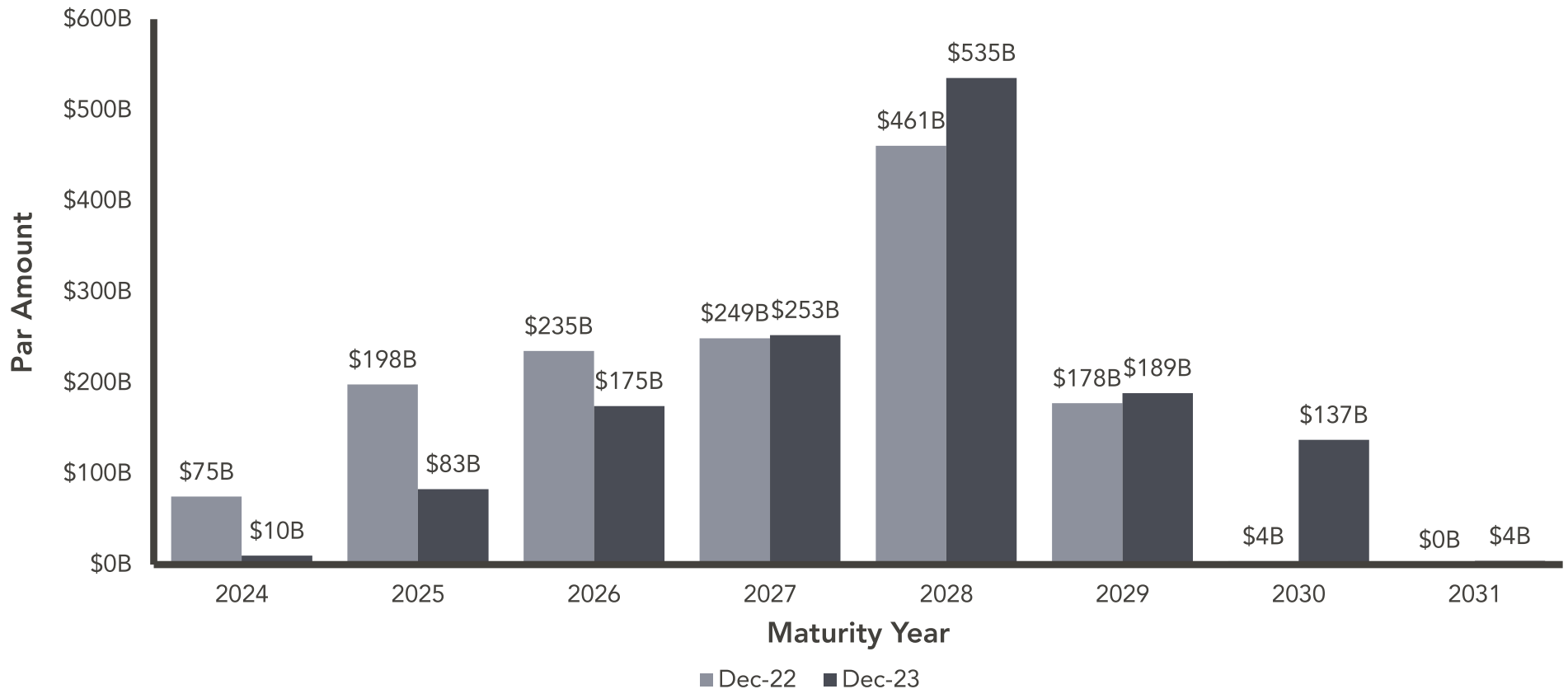
**Dry powder remains at record levels within private markets; this dynamic supports a rebound in deployment activity in 2024**



Source: PitchBook as of March 31, 2023

# Leveraged loan maturity wall

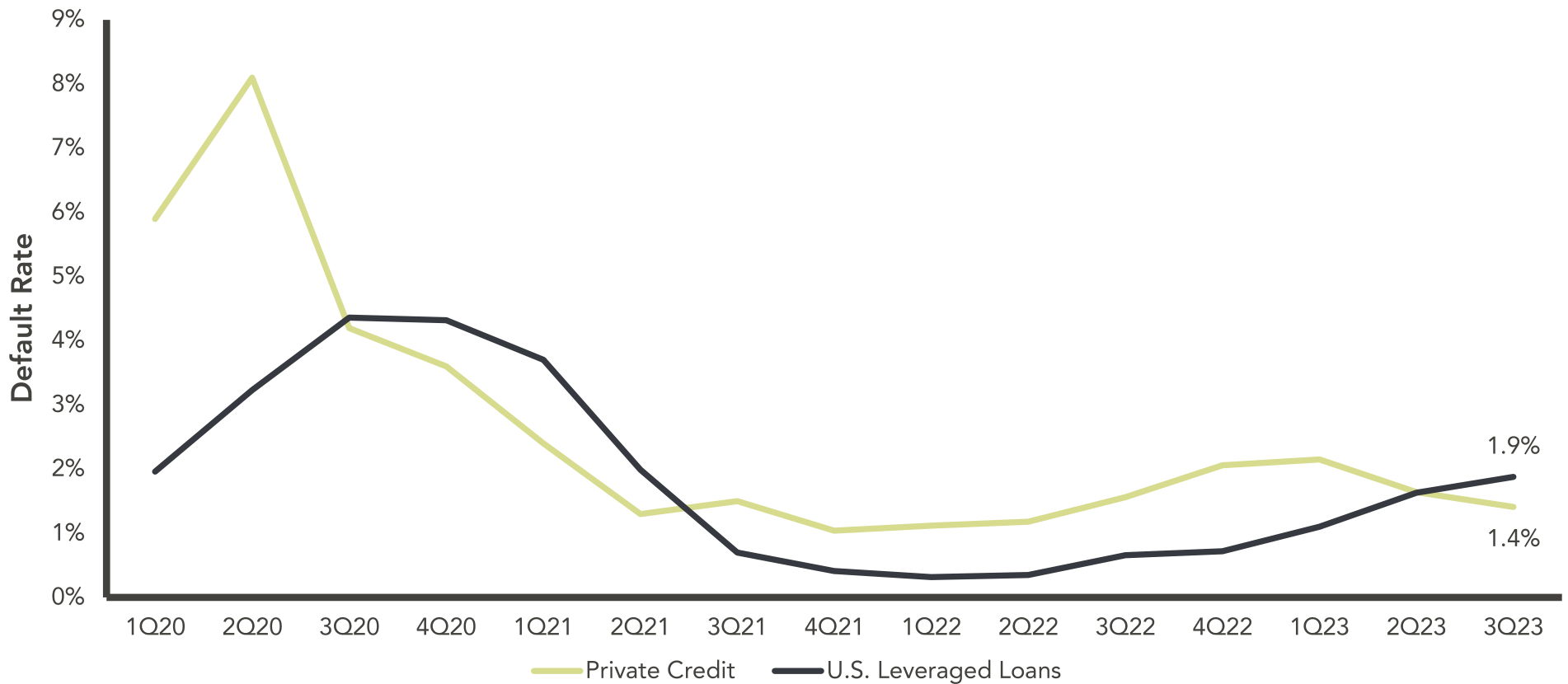
Private credit remains well-positioned to fund M&A issuance and refinancing activity as loans approach maturity



Source: PitchBook LCD as of December 31, 2023

# Higher default rates for leveraged loans in 2024

Private credit defaults remain low despite higher debt servicing costs, as borrowers reduce debt in favor of higher equity cushions



Source: PitchBook LCD as of December 31, 2023

Purpose:

**Empower our  
clients to meet their  
investment  
objectives**

**Vision**

Be a trusted partner to our clients through effective investment programs

**Mission**

Provide independent and thoughtful investment guidance

**Why Marquette?**

- ✓ Our people
- ✓ Independent expertise
- ✓ Focused client service
- ✓ Careful research



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# Memorandum

**To:** ABE Board of Directors

**From:** Dana Hill

**Date:** January 29, 2024

**Re:** 2023 Charitable Contributions and Refunds Report

We have completed our calculations of the charitable contributions and dividend refund requests for the year 2023. Those who requested dividend refunds received their check and a letter asking that they consider donating some or all of it. Those who allowed us to retain their dividend received a Charitable Contribution/Deduction Notice with a letter of appreciation. The following is a comparison of refunds and contributions for the last 3 years:

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contribution Notices*	7,997	7,477	6,985
Contributions Equal Zero	1,249	1,189	1,134
Total % Contributing	83.10%	82.72%	82.46%
Refund Checks*	1,837	1,776	1,698
Refunds Equal Zero	43	34	29
Total % Requesting Refund	16.90%	17.28%	17.54%
% - Net Dividends Refunded	29.10%	28.13%	30.61%
% - Net Dividends Contributed	70.90%	71.87%	69.39%
% - Gross Dividends Refunded	17.89%	14.34%	19.34%
Total Contributions	\$3,655,179	\$3,064,078	\$4,430,517
Total Refunds Issued	<u>\$1,469,690</u>	<u>\$1,187,969</u>	<u>\$1,951,256</u>
 Total Net Dividends	 \$5,124,869	 \$4,252,047	 \$6,381,773

Our 2023 reserve for refunds is \$2,492,455 and total refunds to date equal \$1,951,256. There will be late requests which we have withheld a small reserve to accommodate. The 2023 refund reserve percentages and actual refund request percentages for each plan are listed below.

<u>Plan</u>	<u>Current Reserve</u>	<u>Actual Refund</u>	<u>Plan</u>	<u>Current Reserve</u>	<u>Actual Refund</u>
Life	30%	24.35%	AD&D	0.00%	0.00%
Disability	17%	9.98%	HIP	20%	15.17%
EMM	22%	18.98%	OOE	27%	20.25%

\* Excludes those with zero amounts.



Following are the ABE administrative expenses losses by plan as calculated on a cost accounting basis carried forward from the prior dividend year for the last 3 years. This does not include losses carried by the insurance companies.

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Life Plan	-0-	-0-	-0-
Disability Income	-0-	-0-	-0-
Excess Major Medical	-0-	-0-	-0-
Acc. Death & Dismemberment	695,906	753,115	223,664
Hospital Indemnity Plan	-0-	-0-	-0-
Office Overhead Expense	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total	\$695,906	\$753,115	\$223,664

AMERICAN BAR ENDOWMENT  
CONTRIBUTION/REFUND REGISTER BY PROGRAM

FOR TAX YEAR 2022

<u>PROGRAM</u>	<u>DIVIDEND DUE/PAID</u>	<u>PER TO CERT</u>	<u>DIVIDEND</u>	<u>REFUND</u>	<u>CONTRIBUTION</u>	<u>REIMBURSEMENT</u>	<u>NON DIVIDEND PREMIUM</u>	<u>DIV - NON DIV PREMIUM</u>
A00	744,634.43	0.00	0.00	0.00	0.00	0.00	-1,762.72	-450.80
B00	153,772.51	22.42	34,475.82	13,312.91	21,162.91	0.00	-6,600.00	6.25
CR1	16,901.42	20.00	3,380.29	894.28	2,486.01	0.00	0.00	0.00
D00	3,638,497.45	18.37	668,392.44	144,349.46	524,042.98	0.00	-722.79	-3,059.35
D01	612,148.53	18.37	112,452.10	12,067.09	100,385.01	0.00	-227.38	-122.47
D02	226,795.20	18.37	41,662.26	8,723.44	32,938.82	0.00	0.00	0.00
E00	1,313,080.13	45.00	590,886.22	137,948.96	452,937.26	0.00	-513.92	-339.54
E02	285,985.20	45.00	128,693.66	18,108.91	110,584.75	0.00	-32.75	-62.16
H00	386,913.73	51.80	200,421.36	42,297.00	158,124.36	0.00	746.34	-75.09
L00	56,541.94	20.00	11,308.36	2,032.85	9,275.51	0.00	0.00	-22.92
L01	0.00	0.00	0.00	0.00	0.00	0.00		
L02	1,353,250.86	20.00	270,650.56	69,242.29	201,408.27	0.00	-456.30	-1,209.60
L03	5,342,790.86	20.00	1,068,558.01	352,210.60	716,347.41	0.00	0.80	1,357.33
L04	2,067,267.29	20.00	413,453.49	127,503.67	285,949.82	0.00	-198.33	0.03
L05	1,936,115.03	20.00	387,222.92	142,443.12	244,779.80	0.00	117.09	1,728.12
L13	53,210.89	20.00	10,642.05	766.99	9,875.06	0.00	0.00	0.00
L14	1,282,529.41	20.00	256,505.91	96,069.51	160,436.40	0.00	0.00	0.00
LJ4	96,538.97	20.00	19,307.79	7,278.25	12,029.54	0.00	0.00	0.00
LS4	165,845.03	20.00	33,169.03	12,481.15	20,687.88	0.00	0.00	0.00
R00	4,709.00	18.37	865.05	238.85	626.20	0.00	0.00	0.00
	<b>19,737,527.88</b>		<b>4,252,047.32</b>	<b>1,187,969.33</b>	<b>3,064,077.99</b>	<b>0.00</b>	<b>-9,649.96</b>	<b>-2,250.20</b>

\* Non-Dividend Premium should be added to the Dividend Due/Paid

\* Dividend - Non Dividend Premium should be added to Accounting Premium.

AMERICAN BAR ENDOWMENT  
CONTRIBUTION/REFUND REGISTER BY PROGRAM

FOR TAX YEAR 2021

<u>PROGRAM</u>	<u>DIVIDEND DUE/PAID</u>	<u>PER TO CERT</u>	<u>DIVIDEND</u>	<u>REFUND</u>	<u>CONTRIBUTION</u>	<u>REIMBURSEMENT</u>	<u>NON DIVIDEND PREMIUM</u>	<u>DIV - NON DIV PREMIUM</u>
A00	790,085.31	0.00	0.00	0.00	0.00	0.00	233.80	-661.60
B00	167,324.77	0.00	0.00	0.00	0.00	0.00	0.00	-5,600.00
CR1	15,947.00	25.43	4,055.31	1,165.35	2,889.96	0.00	0.00	0.00
D00	3,944,822.52	20.53	809,872.42	168,270.00	641,602.42	0.00	-10,569.79	-722.79
D01	605,995.24	20.53	124,411.07	12,473.88	111,937.19	0.00	0.00	-227.38
D02	204,420.77	20.53	41,967.56	8,365.49	33,602.07	0.00	0.00	0.00
E00	1,399,932.62	40.00	559,972.98	118,889.05	441,083.93	0.00	-917.98	-513.92
E02	301,690.43	40.00	120,676.28	19,010.46	101,665.82	0.00	-872.11	-32.75
H00	411,890.89	45.37	186,874.66	41,533.80	145,340.86	0.00	-2,363.68	746.34
L00	83,161.54	25.43	21,147.88	4,842.26	16,305.62	0.00	0.00	0.00
L01	0.00	25.43	0.00	0.00	0.00	0.00	0.00	0.00
L02	1,519,892.52	25.43	386,508.63	98,857.65	287,650.98	0.00	672.60	-456.30
L03	5,363,170.33	25.43	1,363,854.56	476,412.45	887,442.11	0.00	3,981.00	0.80
L04	2,244,603.98	25.43	570,803.10	182,561.27	388,241.83	0.00	707.50	0.00
L05	1,921,542.85	25.43	488,648.66	183,564.05	305,084.61	0.00	-4,696.66	117.09
L13	49,114.02	25.43	12,489.74	756.80	11,732.94	0.00	67.00	0.00
L14	1,461,928.97	25.43	371,768.54	133,019.03	238,749.51	0.00	0.00	0.00
LJ4	69,928.60	25.43	17,782.85	5,363.94	12,418.91	0.00	0.00	0.00
LS4	168,338.99	25.43	42,808.55	14,255.46	28,553.09	0.00	0.00	0.00
R00	5,979.39	20.53	1,227.59	349.64	877.95	0.00	93.69	0.00
	<u>20,729,770.74</u>		<u>5,124,870.38</u>	<u>1,469,690.58</u>	<u>3,655,179.80</u>	<u>0.00</u>	<u>-13,664.63</u>	<u>-7,350.51</u>

\* Non-Dividend Premium should be added to the Dividend Due/Paid

\* Dividend - Non Dividend Premium should be added to Accounting Premium.

AMERICAN BAR ENDOWMENT  
CONTRIBUTION/REFUND REGISTER BY PROGRAM

FOR TAX YEAR 2020

<u>PROGRAM</u>	<u>DIVIDEND DUE/PAID</u>	<u>PER TO CERT</u>	<u>DIVIDEND</u>	<u>REFUND</u>	<u>CONTRIBUTION</u>	<u>REIMBURSEMENT</u>	<u>NON DIVIDEND PREMIUM</u>	<u>DIV - NON DIV PREMIUM</u>
A00	830,749.90	0.00	0.00	0.00	0.00	0.00	-369.84	188.20
B00	187,844.27	48.87	91,799.56	35,320.56	56,479.00	0.00	0.00	0.00
CR1	17,210.28	24.63	4,238.89	922.29	3,316.60	0.00	0.00	0.00
D00	4,233,814.97	18.91	800,614.80	167,756.28	632,858.52	0.00	-404.17	-1,027.60
D01	593,590.13	18.91	112,247.54	12,109.61	100,137.93	0.00	33.93	0.00
D02	177,871.06	18.91	33,635.35	6,786.03	26,849.32	0.00	0.00	0.00
E00	1,528,964.53	3.17	48,467.53	10,452.44	38,015.09	0.00	-2,752.78	-811.10
E02	320,965.55	3.17	10,174.87	1,370.72	8,804.15	0.00	-269.45	-40.20
H00	436,427.83	33.75	147,294.41	35,117.80	112,176.61	0.00	-298.05	-555.42
L00	102,066.52	24.63	25,138.79	5,304.31	19,834.48	0.00	0.00	0.00
L01	0.00	24.63	0.00	0.00	0.00	0.00	0.00	0.00
L02	1,736,740.22	24.63	427,759.74	111,640.13	316,119.61	0.00	0.80	672.60
L03	5,407,255.74	24.63	1,331,807.72	458,148.49	873,659.23	0.00	939.42	3,981.00
L04	2,549,103.65	24.63	627,844.43	208,042.18	419,802.25	0.00	1,491.67	707.50
L05	1,931,136.29	24.63	475,639.22	172,792.18	302,847.04	0.00	-48.32	-889.99
L13	46,903.27	24.63	11,552.19	662.54	10,889.65	0.00	0.00	67.00
L14	1,287,130.56	24.63	317,020.38	106,863.49	210,156.89	0.00	0.00	0.00
LJ4	30,744.86	24.63	7,572.47	1,705.01	5,867.46	0.00	0.00	0.00
LS4	166,557.20	24.63	41,023.05	14,629.09	26,393.96	0.00	0.10	0.00
R00	6,246.71	18.91	1,181.26	322.51	858.75	0.00	-547.64	93.69
	<u>21,591,323.54</u>		<u>4,515,012.20</u>	<u>1,349,945.66</u>	<u>3,165,066.54</u>	<u>0.00</u>	<u>-2,224.33</u>	<u>2,385.68</u>

\* Non-Dividend Premium should be added to the Dividend Due/Paid  
\* Dividend - Non Dividend Premium should be added to Accounting Premium.

Level 1	Level 2	Actuals	Budget	% of Budget Used
<b>Administrative</b>	Meetings & Travel	154,896	386,249	40%
	Printing & Postage	56,733	151,699	37%
	Salaries & Benefits	684,692	1,399,355	49%
	Investment Management and Advisory Fees	104,556	223,700	47%
	Miscellaneous	42,509	71,513	59%
	Facilities	113,792	857,801	13%
	Professional Services	252,082	699,631	36%
	Taxes	21,953		
	Charitable Gift Fund Expense	72,920		
<b>Administrative Total</b>		<b>1,504,133</b>	<b>3,789,947</b>	40%
<b>Promotional</b>	Advertising & Marketing	370,534	714,500	52%
<b>Promotional Total</b>		<b>370,534</b>	<b>714,500</b>	52%
<b>Grand Total</b>		<b>1,874,666</b>	<b>4,504,447</b>	<b>42%</b>

Level 2	Level 3	6 months of Actuals	Full Year Budget	% of Budget Used
Advertising & Marketing	ABA Meetings	18,625	17,500	106%
	Insurance Promotions	344,225	642,000	54%
	Marketing Research	335	35,000	1%
	Website	7,349	20,000	37%
<b>Advertising &amp; Marketing Total</b>		<b>370,534</b>	<b>714,500</b>	<b>52%</b>
Meetings & Travel	ABA meeting		5,000	0%
	Miscellaneous	21,638	29,100	74%
	ABE meeting	133,258	352,149	38%
<b>Meetings &amp; Travel Total</b>		<b>154,896</b>	<b>386,249</b>	<b>40%</b>
Printing & Postage	Printing	40,607	106,430	38%
	Postage	16,126	45,269	36%
<b>Printing &amp; Postage Total</b>		<b>56,733</b>	<b>151,699</b>	<b>37%</b>
Salaries & Benefits	Benefits & Payroll Taxes	234,985	472,942	50%
	Compensation	442,799	915,463	48%
	Staff Development	1,442	10,950	13%
	Personnel Recruiting Fees	5,466		
<b>Salaries &amp; Benefits Total</b>		<b>684,692</b>	<b>1,399,355</b>	<b>49%</b>
Investment Management and Adv	Investment Management and Advisory	104,556	223,700	47%
<b>Investment Management and Advisory Fees Total</b>		<b>104,556</b>	<b>223,700</b>	<b>47%</b>
Miscellaneous	Miscellaneous	42,509	71,513	59%
<b>Miscellaneous Total</b>		<b>42,509</b>	<b>71,513</b>	<b>59%</b>
Facilities	Utilities	1,824	7,050	26%
	Rent	109,638	331,161	33%
	Moving Expenses	2,330	519,590	0%
<b>Facilities Total</b>		<b>113,792</b>	<b>857,801</b>	<b>13%</b>
Professional Services	Corporate Insurance & Bonds	75,631	77,761	97%
	Legal Counsel	17,628	50,000	35%
	Insurance & Former Employee	157,103	467,410	34%
	Charitable Gift Funds	1,720	15,000	11%
	Auditors		89,460	0%
<b>Professional Services Total</b>		<b>252,082</b>	<b>699,631</b>	<b>36%</b>
Taxes	UBIT	21,953		
<b>Taxes Total</b>		<b>21,953</b>		
Charitable Gift Fund Expense	Offset with Revenue	72,920		
<b>Charitable Gift Fund Expense Total</b>		<b>72,920</b>		
<b>Grand Total</b>		<b>1,874,666</b>	<b>4,504,447</b>	<b>42%</b>

Level 2	Level 3	Budget Line Item	6 months of Actuals	Full year Budget	% of Budget Used		
Advertising & Marketing	ABA Meetings	Annual Meeting Materials	15,924	3,500	455%		
		Section Meetings	2,700	14,000	19%		
	<b>ABA Meetings Total</b>		<b>18,625</b>	<b>17,500</b>	<b>106%</b>		
	Insurance Promotions	Advertising	6,298	15,000	42%		
		DIS Promotion	52,535	172,000	31%		
		HIP Promotion	954	6,000	16%		
		Life Promotions	232,155	324,000	72%		
		Miscellaneous Promotional	25,199	54,000	47%		
		New Member Pilot	10,147	25,000	41%		
		Social Media	12,357	15,000	82%		
		Agency General and Administrative Fees		15,000	0%		
		OOE Promotion		2,000	0%		
	AD&D Promotions	4,581	14,000	33%			
	<b>Insurance Promotions Total</b>		<b>344,225</b>	<b>642,000</b>	<b>54%</b>		
Marketing Research		335	35,000	1%			
Website		7,349	20,000	37%			
<b>Advertising &amp; Marketing Total</b>			<b>370,534</b>	<b>714,500</b>	<b>52%</b>		
Meetings & Travel	ABA meeting	ABA Mid-Year Meeting		5,000	0%		
	<b>ABA meeting Total</b>			<b>5,000</b>	<b>0%</b>		
	Miscellaneous		21,638	29,100	74%		
	ABE meeting	August Board of Directors Meeting		4,851	5,000	97%	
		February Board of Directors Meeting		5,000	94,264	5%	
		June Board of Directors Meeting		6,324	110,000	6%	
		November Board of Directors Meeting		117,083	142,885	82%	
<b>ABE meeting Total</b>			<b>133,258</b>	<b>352,149</b>	<b>38%</b>		
<b>Meetings &amp; Travel Total</b>			<b>154,896</b>	<b>386,249</b>	<b>40%</b>		
Printing & Postage	Printing	ABA Data Processing	8,751	35,004	25%		
		Charitable Contribution Mailing	4,719	25,000	19%		
		Computer Supplies & Software	508	5,000	10%		
		Copier Lease & Supplies	541	3,130	17%		
		General Printing	6,201	9,306	67%		
		Office Equipment Purchases	18,552	26,790	69%		
		Offsite Record Storage	1,334	1,700	78%		
		Equipment Repair		500	0%		
		<b>Printing Total</b>			<b>40,607</b>	<b>106,430</b>	<b>38%</b>
	Postage		16,126	45,269	36%		
<b>Printing &amp; Postage Total</b>			<b>56,733</b>	<b>151,699</b>	<b>37%</b>		
Salaries & Benefits	Benefits & Payroll Taxes	Benefit Statement	16,211	17,000	95%		
		Employee Benefits	33,317	153,655	22%		
		FICA / MEDICARE Taxes	28,760	65,449	44%		
		Payroll Processing Fees	1,099	3,020	36%		
		Pension Plan Contribution	150,000	150,000	100%		
		Retirement Plan	113	43,799	0%		
		Retirement Plan Administration Fees	5,317	15,194	35%		
		State Unemployment Taxes	169	1,128	15%		
		Vacation Accrual		15,526	0%		
		Administrative Leave Accrual		8,171	0%		
		<b>Benefits &amp; Payroll Taxes Total</b>			<b>234,985</b>	<b>472,942</b>	<b>50%</b>
		Compensation		442,799	915,463	48%	
		Staff Development	Licenses, Memberships & Subscriptior		1,442	6,950	21%
	Seminars and Training				4,000	0%	
<b>Staff Development Total</b>			<b>1,442</b>	<b>10,950</b>	<b>13%</b>		
Personnel Recruiting Fees		5,466					
<b>Salaries &amp; Benefits Total</b>			<b>684,692</b>	<b>1,399,355</b>	<b>49%</b>		

Level 2	Level 3	Budget Line Item	6 months of Actuals	Full year Budget	% of Budget Used
Investment Management ar	Investment Management anc	Harris Bank Cash Management Fees	39,973	97,700	41%
		Marquette Associates - Advisory Fees	64,583	100,000	65%
		Harris (CAMP) Investment Fees		26,000	0%
		<b>Investment Management and Advisory Fees Total</b>	<b>104,556</b>	<b>223,700</b>	<b>47%</b>
<b>Investment Management and Advisory Fees Total</b>			<b>104,556</b>	<b>223,700</b>	<b>47%</b>
Miscellaneous	Miscellaneous		42,509	71,513	59%
<b>Miscellaneous Total</b>			<b>42,509</b>	<b>71,513</b>	<b>59%</b>
Facilities	Utilities		1,824	7,050	26%
	Rent		109,638	331,161	33%
	Moving Expenses		2,330	519,590	0%
<b>Facilities Total</b>			<b>113,792</b>	<b>857,801</b>	<b>13%</b>
Professional Services	Corporate Insurance & Bonds		75,631	77,761	97%
	Legal Counsel		17,628	50,000	35%
	Insurance & Former Employee		157,103	467,410	34%
	Charitable Gift Funds		1,720	15,000	11%
	Auditors			89,460	0%
<b>Professional Services Total</b>			<b>252,082</b>	<b>699,631</b>	<b>36%</b>
Taxes	UBIT		21,953		
<b>Taxes Total</b>			<b>21,953</b>		
Charitable Gift Fund Expense			72,920		
<b>Grand Total</b>			<b>1,874,666</b>	<b>4,504,447</b>	<b>42%</b>



# American Bar Endowment

Consolidated Financial Report  
June 30, 2023

PRELIMINARY DRAFT  
— Subject to Change —  
Not to be Reproduced  
for Review and Discussion Purposes Only

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PRELIMINARY DRAFT  
— Subject to Change —  
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## Independent Auditor's Report

Board of Directors  
American Bar Endowment

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the consolidated financial statements of American Bar Endowment (the Endowment), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, the related consolidated statements of activities, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Endowment as of June 30, 2023 and 2022, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Endowment'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.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Endowment'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 Endowment'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.

#### **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying consolidating statements of financial position as of June 30, 2023 and 2022 and consolidating statements of activities for the years then ended are presented for purposes of additional analysis and is not a required part of the financial statements. 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Chicago, Illinois

[DATE]

**American Bar Endowment**

**Consolidated Statements of Financial Position  
June 30, 2023 and 2022**

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 7,790,476	\$ 12,543,370
Investments	179,341,447	164,236,740
Interest and dividends receivable	19,590	20,801
Dividends receivable on group insurance policies	2,819,234	1,426,150
Income tax receivable	3,861	9,069
Property and equipment, net	21,061	20,585
Other assets	156,418	170,932
<b>Total assets</b>	<b>\$ 190,152,086</b>	<b>\$ 178,427,647</b>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Premiums payable	\$ 4,823,547	\$ 5,084,368
Allowance for refunds of dividends	2,502,455	2,108,255
Grants payable	9,236,858	9,116,870
Accrued expenses and other liabilities	391,227	544,463
Excess major medical plan reserve	7,457,705	7,220,180
Pension liability	1,370,825	1,221,917
<b>Total liabilities</b>	<b>25,782,617</b>	<b>25,296,053</b>
Net assets:		
Without donor restrictions	160,339,461	149,351,092
With donor restrictions	4,030,007	3,780,502
<b>Total net assets</b>	<b>164,369,468</b>	<b>153,131,594</b>
<b>Total liabilities and net assets</b>	<b>\$ 190,152,086</b>	<b>\$ 178,427,647</b>

See notes to consolidated financial statements.

## American Bar Endowment

### Consolidated Statements of Activities Years Ended June 30, 2023 and 2022

	2023	2022
Revenues and gains:		
Contributions	\$ 8,528,933	\$ 5,772,001
Commissions and service charge fees	13,348	163,223
Income on investments	3,297,853	3,357,696
Net realized and unrealized gain (loss) on investments	10,046,139	(13,102,293)
Other income	1,366	820
Releases from restrictions	155,254	156,262
<b>Total net revenues and gains (losses) without donor restrictions</b>	<b>22,042,893</b>	<b>(3,652,291)</b>
Expenses:		
Life program	1,559,040	2,404,944
Disability income program	648,019	1,011,607
Hospital indemnity program	68,084	90,894
Excess major medical program	198,310	273,255
Accidental death and dismemberment program	170,601	223,413
Office overhead expense program	20,052	27,856
Long-term care program	42,729	91,179
Comprehensive major medical program	-	198
Other insurance programs	-	31,723
Grants	7,710,730	7,732,030
Administrative	498,735	229,712
Income taxes	67,345	74,033
<b>Total expenses</b>	<b>10,983,645</b>	<b>12,190,844</b>
<b>Increase (decrease) in net assets without donor restrictions before other items</b>	<b>11,059,248</b>	<b>(15,843,135)</b>
Other items:		
Pension expense	(70,879)	(3,214)
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>10,988,369</b>	<b>(15,846,349)</b>
Changes in net assets with donor restrictions:		
Net realized and unrealized gain (loss) on investments	404,759	(351,122)
Releases from restrictions	(155,254)	(156,262)
<b>Increase (decrease) in net assets with donor restrictions</b>	<b>249,505</b>	<b>(507,384)</b>
<b>Increase (decrease) in net assets</b>	<b>11,237,874</b>	<b>(16,353,733)</b>
Net assets, beginning of year	153,131,594	169,485,327
Net assets, end of year	<b>\$ 164,369,468</b>	<b>\$ 153,131,594</b>

See notes to consolidated financial statements.

## American Bar Endowment

### Consolidated Statements of Cash Flows Years Ended June 30, 2023 and 2022

	2023	2022
Operating activities:		
Increase (decrease) in net assets	\$ 11,237,874	\$ (16,353,733)
Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation	19,484	15,445
Net unrealized and realized (gain) loss on investments	(10,450,898)	13,453,415
Changes in operating assets and liabilities:		
Interest and dividends receivable	1,211	(242)
Dividends receivable on group insurance policies	(1,393,084)	(219,138)
Income tax receivable	5,208	516
Other assets	14,514	66,680
Premiums payable	(260,821)	(286,346)
Allowance for refunds of dividends	394,200	8,624
Grants payable	119,988	401,697
Accrued expenses and other liabilities	(153,235)	(27,114)
Excess major medical plan reserve	237,525	207,076
Pension liability	148,908	20,734
<b>Net cash used in operating activities</b>	<b>(79,125)</b>	<b>(2,712,386)</b>
Investing activities:		
Purchases of investments	(38,925,763)	(18,915,873)
Sales and maturities of investments	34,271,954	15,745,330
Capital expenditures	(19,960)	(16,317)
<b>Net cash used in investing activities</b>	<b>(4,673,769)</b>	<b>(3,186,860)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(4,752,894)</b>	<b>(5,899,246)</b>
Cash and cash equivalents:		
Beginning of year	12,543,370	18,442,616
End of year	\$ 7,790,476	\$ 12,543,370
Supplemental disclosure of cash flow information:		
Payments for income taxes	\$ 62,139	\$ 76,135

See notes to consolidated financial statements.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies

**Nature of activities:** The American Bar Endowment is an Illinois nonprofit public charity organized to promote the administration of justice and the advancement of jurisprudence through education, public service, and research. The American Bar Endowment accomplishes this through the awarding of grants to qualified organizations. In both fiscal years 2023 and 2022, grants were primarily made to two organizations: the American Bar Association Fund for Justice and Education (FJE) and the American Bar Foundation (ABF). The American Bar Endowment is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state law.

The American Bar Endowment sponsors and promotes several group insurance programs, which are offered in support of its charitable mission to lawyer members of the American Bar Association (ABA) through insurance carriers. The American Bar Endowment-sponsored insurance programs include coverage under life, disability income, hospital indemnity, excess major medical, accidental death and dismemberment, and office overhead expense. These programs are all experience-rated and earn dividends for the insured members, who are then given the option of contributing these dividends back to the American Bar Endowment for use in its operations and for the payment of grants. These are reflected as contributions on the consolidated statement of activities. Insurance premium receipt and disbursement activities are recorded on a net basis on the consolidated statement of activities.

The American Lawyers Insurance Plans (ALIP) was organized to market and administer insurance programs that could not be offered by the American Bar Endowment to ABA members. ALIP is a wholly owned for-profit subsidiary of the American Bar Endowment and is a taxable entity. ALIP originally earned commission and service charge income from the insurance carriers for placing insurance coverage for ABA members. In 2017, per an agreement with the ABA, ALIP discontinued acquisition of new business and entered into a run-off cycle. Most of the run-off business commission flows through USI, a third-party administrator which takes a commission and a fee, forwarding the remainder to ALIP. ALIP retained the administration of only one plan, a Mutual of Omaha long-term care plan, which was frozen to new entrants. The administration of the plan was transferred to Mutual of Omaha in 2021. ALIP had no active plans as of June 30, 2023.

The "Endowment" as used herein refers to the American Bar Endowment and ALIP collectively, or to the American Bar Endowment individually, as the context may require.

ABA, ABF and FJE are considered to be related parties for financial statement reporting purposes.

A summary of the Endowment's significant accounting policies follows:

**Principles of consolidation and basis of presentation:** The consolidated financial statements (financial statements) include the accounts of the American Bar Endowment and its wholly owned, for-profit subsidiary, ALIP, and have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation.

The financial statements are presented in accordance with the guidance on financial statements of nonprofit organizations, which establishes standards for general-purpose external financial statements issued by nonprofit organizations. It requires that net assets and related revenue, expenses, gains and losses be classified into two classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

*Net assets without donor restrictions* are not subject to donor-imposed restrictions. Restricted contributions whose donor-imposed restrictions are met during the same fiscal year are reported within net assets without donor restrictions. The Endowment has one Board-designated fund which is included in net assets without donor restrictions.



## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

*Net assets with donor restrictions* are subject to donor-imposed restrictions which will be met either by the Endowment's actions or the passage of time. Net assets with donor restrictions are reclassified to net assets without donor restrictions when the restrictions have been met or have expired. Certain net assets with donor restrictions include those that are subject to donor-imposed restrictions requiring the principal to be maintained in perpetuity, and the income to be used only for certain purposes.

**Use of estimates:** In preparing financial statements in conformity with U.S. GAAP, management makes estimates and assumptions affecting the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:** The Endowment considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Endowment maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Endowment has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**Investments:** Investments are recorded at fair value. Realized and unrealized gains and losses are included on the statements of activities. Realized gains or losses on dispositions of investments are determined using the average-cost method. Interest and dividend income from investments is accrued as earned. Investment management fees are netted against income on investments on the statements of activities.

Investments, in general, 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 possible that changes in values of investment securities could occur in the near term and such changes could materially affect the statements of financial position and change in net assets.

**Concentration of credit risk:** Investments are diversified in order to limit credit risk and are generally placed in managed funds administered by an investment manager and various clearing brokers. In the event these counterparties do not fulfill their obligations, the Endowment may be exposed to risk. The risk of default is dependent on the creditworthiness of the counterparty to these transactions. The Endowment attempts to minimize this credit risk by monitoring the creditworthiness of the investment managers and clearing brokers. As of June 30, 2023, the Endowment has \$29,300,000 in one investment representing approximately 16% of the Endowment's investment portfolio. No such concentration existed as of June 30, 2022.

**Property and equipment:** Property and equipment are recorded at cost, if purchased, or at fair value if donated. In general, the Endowment capitalizes all property and equipment purchases over \$500. Major renewals and improvements are also capitalized. General maintenance and repairs which do not improve or extend the lives of the assets are expensed. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which are five years for furniture, three years for software and three years for equipment. Accumulated depreciation at June 30, 2023 and 2022 was \$577,475 and \$557,991, respectively.

**Excess major medical plan reserve:** This reserve represents a contingency specified under the Endowment's agreement with their excess major medical plan carrier. This plan is frozen, and no new insureds have been enrolled. This reserve is supported by cash accounts included within cash and cash equivalents on the statements of financial position.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

**Revenue recognition:** The Endowment recognizes revenue on exchange transactions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers.

The five-step model defined by Topic 606 requires organizations to: (1) identify the contracts with customers, (2) identify the performance obligations under those contracts, (3) determine the transaction prices of those contracts, (4) allocate the transaction price to the performance obligations in those contracts and (5) recognize revenue when each performance obligation under those contracts is satisfied. Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration expected in exchange for those goods or services.

**Commissions and service charge fees:** These fees include one single performance obligation, which is satisfied, at a point in time, at the inception of the underlying policy. The revenue is recorded at the beginning of the related policy period.

**Contributions:** The Endowment recognizes non-exchange transactions (contributions) in accordance with ASC Topic 958-605. Contributions, consisting of dividends on members' group insurance policies, are accounted for as of the end of the policy year to which such dividends relate. The dividends receivable on group insurance policies, recorded on the statements of financial position include amounts related to the Endowment's insurance plans. A provision is made for estimated amounts of such dividends, which may be claimed as refunds by members. Dividends earned in future policy years may be used to offset prior years' experience losses.

Other contributions are recorded at fair value when all conditions for their receipt have been met. The Endowment reports donations of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. The Endowment's net assets with donor restrictions represent one single endowment fund to be maintained permanently (i.e., in perpetuity). Earnings on investments of this endowment fund are included as increases to net assets with donor restrictions until appropriated for future grant funding.

**Expense presentation:** The statements of activities present operating expenses primarily by insurance program and grant expense categories. Direct expenses are charged to specific insurance programs, grant expense or other expense categories. Indirect operating expenses are fully allocated to the program categories benefited based on a methodology established and consistently applied by management. The basis for these allocations include benchmarks such as employee time and effort.

**Grants:** Grants are generally without future donor-imposed conditions and are therefore expensed when authorized and approved by the Board of Directors. A grant is considered to be conditional when it has both a right of return or release and one or more barriers that must be overcome before a recipient is entitled to the cash transferred or promised.

**Tax status:** The Endowment is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, income from certain activities not directly related to the Endowment's tax-exempt purposes is subject to taxation as unrelated business income.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities and Significant Accounting Policies (Continued)

The Endowment follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Endowment may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Endowment and positions related to the potential sources of unrelated business taxable income. There were no unrecognized tax benefits identified or recorded as liabilities during the reporting periods covered by these financial statements.

The American Bar Endowment files Form 990 in the U.S. federal jurisdiction and the state of Illinois. ALIP files Form 1120 in the U.S. federal jurisdiction and the state of Illinois.

**Adopted accounting pronouncement:** The FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in FASB ASC Topic 840, *Leases*, which is intended to increase transparency and comparability among organizations related to their leasing arrangements. The new lease standard, including all the related amendments subsequent to its issuance, supersedes the previous guidance for lease accounting and requires lessees to recognize a ROU asset representing the right to use an underlying asset and lease liability representing the obligation to make lease payments over the lease term for substantially all leases, as well as disclose key quantitative and qualitative information about leasing arrangements. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The implementation of this standard did not have a significant impact on the Endowment's consolidated financial statements for the fiscal year ended June 30, 2023.

**Subsequent events:** The Endowment has evaluated subsequent events through [DATE], the date on which the financial statements were available to be issued.

#### Note 2. Income Taxes

In 1987, the Endowment obtained a ruling from the National Office of the Internal Revenue Service (the IRS) that dividends received by the Endowment would not constitute unrelated business income (UBI), provided insured members have the option to have such amounts refunded to them. The Endowment notifies its members of this option and, for financial reporting purposes, provides estimates of amounts members may request as refunds. Additionally, dividends received by the Endowment from ALIP do not constitute UBI under the IRS ruling. The IRS ruling outlines the method the Endowment is required to use to determine UBI.

ALIP is a for-profit entity and, as a result, files income tax returns that are separate from that of the Endowment.

The provision for income taxes consists of the following at June 30, 2023 and 2022:

	2023	2022
Federal	\$ 43,739	\$ 49,933
State	23,606	24,100
	<u>\$ 67,345</u>	<u>\$ 74,033</u>

Income tax payments of \$62,139 and \$76,135 were made in 2023 and 2022, respectively.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 3. Dividends

The Endowment accrued \$2,502,455 and \$2,108,225 for estimated future refunds due to members at June 30, 2023 and 2022, respectively. For the years ended June 30, 2023 and 2022, contributions on the statements of activities include \$818,963 and \$561,040, respectively, attributable to the release of prior year reserves that were ultimately determined not to be required.

#### Note 4. Grants

The Endowment's policy is to record the provision for authorized grants on the date of the approval authorization by its Board of Directors. Grants are generally without future donor-imposed conditions and are therefore expensed when authorized by the Board of Directors.

Grants authorized during the fiscal years ended June 30, 2023 and 2022, were as follows:

	2023	2022
American Bar Association Fund for Justice and Education	\$ 3,697,357	\$ 3,684,288
American Bar Foundation	3,697,357	3,684,288
	<u>7,394,714</u>	<u>7,368,576</u>
Opportunity grants	262,996	298,600
Charitable Gift Fund grants	53,020	64,854
	<u>\$ 7,710,730</u>	<u>\$ 7,732,030</u>

In fiscal year 2023, the Endowment's Board of Directors authorized grants to the ABF and FJE in the above amounts to be paid in quarterly installments beginning in September 2023. Similarly, in fiscal year 2022 the Endowment's Board of Directors authorized the above grants to these organizations to be paid in quarterly installments beginning in September 2022. These grants are to be shared equally between the FJE and the ABF and are intended for their 2024 and 2023 fiscal years, respectively. The Endowment records these amounts in grants payable on the June 30, 2023 and 2022, statements of financial position.

The Endowment follows a policy pertaining to the authorization and administration of grants on an annual basis. Grants are calculated using a five-year rolling average of available dividends, up to a maximum of 5% of the five-year average fair market value of the Endowment's investment portfolio and up to 4% of the funds available from the Foulis Fund.

#### Note 5. Related-Party Matter

The ABA is related to the Endowment principally through common membership. The Endowment's members independently elect 10 of the Endowment's 14 directors. The ABA launched an insurance program directed to ABA members that is to some degree competitive with that currently conducted by the Endowment. While the magnitude of the financial detriment to the Endowment cannot be reasonably estimated at this time, it is possible that the dividends and the funds available for Endowment grants for the future may be affected.

The Endowment recognized expenses totaling \$35,000 in both fiscal years 2023 and 2022, respectively, related principally to data processing and administrative services provided by the ABA.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 5. Related-Party Matter (Continued)

A sublease agreement with the ABA for office space requires annual rental payments through June 2024. Rent expense incurred under the agreement amounted to \$323,286 and \$313,810 in fiscal years 2023 and 2022, respectively. The Endowment's annual expense includes minimum base rental payments, as well as taxes and operational expenses for which the Endowment is liable. This lease will expire on June 30, 2024, with no option to extend. Expected minimum base rental payments for fiscal year 2024 amount to \$225,232.

#### Note 6. Investments

The fair value of investments held by the Endowment at June 30 were as follows:

	2023	2022
Fixed income mutual funds	\$ 6,048,490	\$ 6,361,525
Equity mutual funds	87,236,587	97,081,425
Hedge fund	42,315,893	11,495,796
Real estate fund	13,130,946	14,713,164
Private equity	22,867,007	24,504,918
Fund of funds	7,742,524	10,079,912
	<u>\$ 179,341,447</u>	<u>\$ 164,236,740</u>

**Fair value measurements:** Fair value is defined under U.S. GAAP as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. U.S. GAAP also establishes a three-level hierarchy, which is based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3).

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy are defined as follows:

- Level 1:** Valuations are based on unadjusted quoted prices in active markets for identical financial instruments.
- Level 2:** Valuations are based on quoted market prices, other than quoted prices included in Level 1, in markets that are not active or on inputs that are observable either directly or indirectly for the full term of the financial instrument.
- Level 3:** Valuations are based on pricing or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement of the financial instrument. Such inputs may reflect management's own assumptions about the assumptions a market participant would use in pricing the financial instrument.

Investments in fixed income and equity mutual funds traded on a national securities exchange, or reported on the NASDAQ national market, are stated at the last reported sales price on the day of valuation; other securities traded in over-the-counter markets and listed securities for which no sale was reported on that date are stated at the last quoted bid price, except for short sales positions and call options written, for which the last quoted asked price is used.

## American Bar Endowment

### Notes to Consolidated Financial Statements

#### Note 6. Investments (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Endowment's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risks associated with investing in those instruments.

The Endowment assesses the levels of the investments at each measurement date. Transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Endowment's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. There were no such transfers in the years ended June 30, 2023 and 2022.

The following table presents the categorization for the Endowment's financial assets measured at fair value on a recurring basis at June 30 on the statements of financial position:

	2023			
	Level 1	Level 2	Level 3	Total
Fixed income mutual funds	\$ -	\$ 6,048,490	\$ -	\$ 6,048,490
Equity mutual funds	43,736,517	43,500,070	-	87,236,587
Total assets at fair value	\$ 43,736,517	\$ 49,548,560	\$ -	93,285,077
Investments measured at NAV:				
Hedge fund (a)				42,315,893
Real estate fund (b)				13,130,946
Private equity (c)				22,867,007
Fund of funds (d)				7,742,524
Total investments				\$ 179,341,447
	2022			
	Level 1	Level 2	Level 3	Total
Fixed income mutual funds	\$ -	\$ 6,361,525	\$ -	\$ 6,361,525
Equity mutual funds	30,567,366	66,514,059	-	97,081,425
Total assets at fair value	\$ 30,567,366	\$ 72,875,584	\$ -	103,442,950
Investments measured at NAV:				
Hedge fund (a)				11,495,796
Real estate fund (b)				14,713,164
Private equity (c)				24,504,918
Fund of funds (d)				10,079,912
Total investments				\$ 164,236,740

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 6. Investments (Continued)

Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

- (a) The fair value of investment in hedge funds is determined based on the NAV of each fund, which is obtained directly from the related fund. The hedge funds invest in approximately 50% U.S. Treasury bills and 50% S&P 500 ETF and sells call and put options on the S&P 500 Index to gain option premium income. The strategy seeks to exceed the return of a blended benchmark of 50% 91-day Treasury bills and 50% S&P 500 Index, net of fees. Withdrawals from these funds are available monthly with a required five day notice period. There are no unfunded commitments related to these funds.
- (b) The fair value of the real estate fund is based on the value of the underlying holdings (primarily real property assets) for which fair value appraisals are performed quarterly. The real estate investment trust acquires, owns, and ultimately disposes of investments in real estate and real estate-related assets with the intention of achieving current income or capital appreciation or both. Withdrawals from the real estate investment trust fund are subject to the availability of cash in the fund and may be deferred as considered necessary to protect the interests of investors. There are no unfunded commitments related to this fund.
- (c) The NAV of the private equity investments is based on the fair value of the underlying holdings for each fund. The funds seek long-term capital appreciation and long-term returns, by acquiring, holding, financing and disposing of public or private securities, as well as investing in asset-backed securities, including: commercial and residential mortgage loans and consumer loans. Withdrawals from these funds vary from ten days with written notice to five years from the final close with two possible one-and-a-half year extensions. At June 30, 2023, the Endowment has unfunded commitments of approximately \$4,766,000 related to these funds.
- (d) The NAV of the fund of funds is based on the fair value of the underlying holdings. The fund of funds investment primarily invests in offshore investment funds, investment partnerships, and pooled investment vehicles. Withdrawals from the fund of funds investment require a limited partner to provide 70 days' notice prior to the end of a calendar quarter to withdraw funds. There are no unfunded commitments related to this fund.

#### Note 7. Employee Benefit Plan

Some of the employees of the Endowment, together with the employees of the ABA, the ABF and the National Judicial College (an ABA affiliated entity), the Plan Sponsors, participate in the A-E-F-C Pension Plan (the Pension Plan), a defined benefit plan, and the ABA Thrift Plan, a contributory and defined contribution plan, (the Thrift Plan). The Pension Plan was frozen as of January 2007; employees hired on or after that date are not eligible to participate in the Pension Plan but participate in the defined contribution portion of the Thrift Plan. Employees as of December 31, 2006, could remain in and accrue additional benefits under the Pension Plan or could have elected to convert to the Thrift Plan as of January 1, 2007. Annual contributions to the defined contribution portion of the Thrift Plan are 5% of the participant's annual salary.

## American Bar Endowment

### Notes to Consolidated Financial Statements

#### Note 7. Employee Benefit Plan (Continued)

Under the Thrift Plan, participants may contribute to a 401(k) in which the employer matches each contribution at a rate of 50% of the participant's contribution, up to an employer maximum of 3% of a participant's annual salary.

The following table sets forth the Pension Plan's funded status and the amounts recorded at June 30 on the Endowment's statements of financial position:

	2023	2022
Change in projected benefit obligation:		
Projected benefit obligations at beginning of year	\$ 5,787,599	\$ 6,737,767
Service cost	70,879	92,520
Interest cost	250,223	179,061
Actuarial (gain) loss	(133,530)	(798,814)
Benefits paid	(954,807)	(422,935)
Projected benefit obligations at end of year	<u>\$ 5,020,364</u>	<u>\$ 5,787,599</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	\$ 4,565,682	\$ 5,536,584
Actual return on plan assets	(61,336)	(622,967)
Employer contributions	100,000	75,000
Benefits paid	(954,807)	(422,935)
Fair value of plan assets at end of year	<u>\$ 3,649,539</u>	<u>\$ 4,565,682</u>
Net amount recorded:		
Funded status	\$ (1,370,825)	\$ (1,221,917)
Unrecognized prior service cost	(5,638)	(15,869)
Unrecognized net loss	1,325,969	1,579,663
Change in funded status	<u>(1,320,331)</u>	<u>(1,563,794)</u>
Net amount recorded	<u>\$ (1,370,825)</u>	<u>\$ (1,221,917)</u>
Projected benefit obligation	\$ 5,020,364	\$ 5,787,599
Accumulated benefit obligation	\$ 4,983,740	\$ 5,728,358
Fair value of assets	\$ 3,649,539	\$ 4,565,682

Weighted-average assumptions used to determine the benefit obligation as of June 30, 2023 and 2022, were as follows:

	2023	2022
Discount rate	4.94%	4.61%
Expected return on plan assets	5.50%	5.50%
Rate of compensation increase	3.10%	3.10%



## American Bar Endowment

### Notes to Consolidated Financial Statements

#### Note 7. Employee Benefit Plan (Continued)

The following table sets forth the Plan's net periodic pension expense and the amounts recognized for the years ended June 30 on the Endowment's statements of activities:

	2023	2022
Service cost	\$ 70,879	\$ 92,520
Interest cost	250,223	179,061
Expected return on plan assets	(236,436)	(285,786)
Amortization of net loss	180,019	195,773
Amortization of prior service cost	(10,231)	(10,231)
Change in funded status	(243,463)	(176,297)
Settlement/curtailment expense	237,917	100,694
Total net periodic pension expense (income)	<u>\$ 248,908</u>	<u>\$ 95,734</u>

As recorded on the Endowment's statements of activities:

	2023	2022
Expenses	\$ 178,029	\$ 92,520
Other items: Pension expense	70,879	3,214
	<u>\$ 248,908</u>	<u>\$ 95,734</u>

Weighted-average assumptions used to determine the net periodic pension costs for the years ended June 30 were as follows:

	2023	2022
Discount rate	4.61%	2.80%
Expected return on plan assets	5.50%	5.50%
Rate of compensation increase	3.10%	3.10%

Plan asset allocation information at June 30 is as follows:

	2023		
	Allocation Range	Target Allocation	Actual Allocation
Plan assets:			
Equity securities:			
Global	23-28%	22.2%	21.9%
Marketable real assets	7.6-9.4	7.4	7.4
Multi asset credit	3.8-4.7	3.7	5.3
Equity hedge funds	3.8-4.7	3.7	4.3
Debt securities:			
Fixed income—credit	36-62	48.7	36.0
Fixed income—government	0-26	10.0	23.3
Invested cash	0-5	1.5	4.5

## American Bar Endowment

### Notes to Consolidated Financial Statements

#### Note 7. Employee Benefit Plan (Continued)

	2022		
	Allocation Range	Target Allocation	Actual Allocation
Plan assets:			
Equity securities:			
Global	23-28%	25.0%	19.6%
Marketable real assets	7.6-9.4	8.2	14
Multi asset credit	3.8-4.7	4.1	3.7
Equity hedge funds	3.8-4.7	4.1	9.7
Debt securities:			
Fixed income—credit	36-62	47.1	24.6
Fixed income—government	0-26	10.0	27.4
Invested cash	0-5	1.5	1.0

The investment policy seeks reasonable asset growth at prudent risk levels within target allocations. Plan assets are invested within the asset allocation target ranges shown above, are well diversified, and are of appropriate quality. Asset allocation target ranges are reviewed quarterly and rebalanced to stay within policy target allocations. From time-to-time fluctuations in the market can cause the plan assets to fall outside of the target allocation range. Periodic re-balancing of the portfolio will take place to adjust for any differences. The investment policy is reviewed at least annually and is revised as deemed appropriate by the AEFC Pension Administration Committee.

To determine the expected long-term rate of return for the Plan, the historical performance, investment community forecasts, and current market conditions are analyzed to develop expected returns for each of the asset classes used by the Plan. The expected returns for each asset class are then weighted by the target allocations of the Plan. The expected long-term rate of return assumption used to determine pension expense for the fiscal years ended 2023 and 2022 is 5.5%.

Estimated future benefit payments reflecting expected future service for the fiscal years ending June 30:

2024	\$ 285,000
2025	325,000
2026	332,000
2027	312,000
2028 through 2032	1,598,000

The Endowment uses June 30, 2023, as the measurement date for the fair value of pension plan assets.

Following is a description of the valuation methodology used for pension plan assets measured at fair value.

**Money market funds:** These assets are valued at the daily closing price as reported by the fund. Shares of registered investment companies held by the Pension Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The shares of the registered investment companies held by the Pension Plan are deemed to be actively traded.

## American Bar Endowment

### Notes to Consolidated Financial Statements

#### Note 7. Employee Benefit Plan (Continued)

The following table presents the categorization of pension plan assets at June 30 measured at fair value on a recurring basis:

	2023			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 142,173	\$ -	\$ -	\$ 142,173
Total plan assets at fair value	<u>\$ 142,173</u>	<u>\$ -</u>	<u>\$ -</u>	142,173
Investments measured at NAV:				
Alternative investments:				
Equity (a)				802,883
Hedge funds (b)				99,322
Collective trust funds:				
Fixed income (c)				2,449,290
Equity (d)				155,871
Total plan assets				<u>\$ 3,649,539</u>
	2022			Total
	Level 1	Level 2	Level 3	
Money market funds	\$ 44,520	\$ -	\$ -	\$ 44,520
Total plan assets at fair value	<u>\$ 44,520</u>	<u>\$ -</u>	<u>\$ -</u>	44,520
Investments measured at NAV:				
Alternative investments:				
Equity (a)				893,251
Hedge funds (b)				443,410
Collective trust funds:				
Fixed income (c)				2,379,461
Equity (d)				805,040
Total plan assets				<u>\$ 4,565,682</u>

Certain plan assets that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

- (a) Alternative equity investments consist of an institutional fund that invests in predominantly U.S. large-cap equities. These funds are valued at net asset value. There are no withdrawal restrictions, with a monthly withdrawal frequency and 100 days redemption period.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 7. Employee Benefit Plan (Continued)

- (b) Alternative hedge funds consist of investments in a diverse range of hedge funds, as well as common stocks. These investments are valued using the net asset value provided by the administrator of the fund, as well as direct market quotes. There are currently a diverse amount of redemption restrictions depending on the fund.
- (c) Collective trust funds (fixed income) are designed to protect capital with low-risk investments and include cash, bank notes, corporate notes, government bills and various short-term debt instruments. These investments are valued using the net asset value provided by the administrator of the fund. There are no withdrawal restrictions, daily withdrawal frequency and a one- to two-day redemption period.
- (d) Collective trust funds (equity) are designated to protect capital with low-risk investments and include cash, global energy equities, global metals and mining equities, non-U.S. equities, commodities and U.S. Treasury inflation protected securities. There are no withdrawal restrictions, monthly withdrawal frequency and a six- to 10-day redemption period.

#### Note 8. R.J. Foulis Memorial Fund

The Endowment has one donor-restricted endowment fund, the R.J. Foulis Memorial Fund. Net assets associated with this endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions. The earnings of this endowment fund are used to support efforts that advance legal study and research, as well as promote the administration of justice and other charitable endeavors consistent with the mission of the Endowment. This is accomplished through administration of grants.

**Interpretation of relevant law:** The Uniform Prudent Management of Institutional Funds Act (UPMIFA) was enacted in Illinois in 2009. The Board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Endowment classified as net assets with donor restrictions (a) the original value of a restricted gift donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation was added to the fund. The remaining portion of the donor-restricted endowment fund is classified as net assets with donor restrictions (temporary in nature) until those amounts are appropriated for expenditure by the Endowment in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Endowment considers the following factors in making a determination to appropriate or accumulate earnings on the donor-restricted endowment fund:

1. The duration and preservation of the fund;
2. The purpose of the Endowment and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Endowment; and
7. The investment policies of the Endowment

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 8. R.J. Foulis Memorial Fund (Continued)

##### Changes in endowment net assets with donor restrictions:

Balance, July 1, 2021	\$ 4,287,886
Investment loss	(351,122)
Appropriations	(156,262)
Balance, June 30, 2022	<u>3,780,502</u>
Investment gain	404,759
Appropriations	(155,254)
Balance, June 30, 2023	<u><u>\$ 4,030,007</u></u>

The endowment net assets, with donor restrictions, presented above relate to the R.J. Foulis Memorial Fund. This fund was established as a result of a bequest, with the final distribution received in fiscal year 2018. Income is to be used to further the charitable mission of the Endowment. A spending policy has been established based upon the intent of the donor. The gift principal, or corpus, is separately invested. The corpus or endowment principal is \$2,512,175 and represents net asset with donor restrictions that are perpetual in nature; the remaining balance of endowment net assets represents cumulative appreciation and is considered to be time restricted until appropriated for future grant funding.

**Funds with deficiencies:** From time to time, the fair value of assets associated with the donor-restricted endowment fund may fall below the level that the donor or Illinois UPMIFA requires the Endowment to retain as a fund of perpetual duration. The Endowment's donor-restricted endowment fund did not have a deficiency of this nature as of June 30, 2023 or 2022.

**Return objectives and spending policy:** The Endowment has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for grant disbursement while seeking to maintain the purchasing power of the endowment assets. A maximum of 4% of the five-year rolling average value of the endowment fund on that date may be used to fund future grants. Further, the donor-restricted endowment fund will be invested consistent with the investment policy for the Endowment's investment portfolio without donor restrictions.

## American Bar Endowment

### Notes to Consolidated Financial Statements

#### Note 9. Allocation of Functional Expenses

The costs of providing the various programs and other activities have been presented on a functional basis below. Certain costs have been allocated among the insurance programs and supporting services using ratios (based upon employee time and effort, for example, and other estimates) developed by management. Expenses by their functional and natural categories for fiscal year 2023 and 2022 were as follows:

	2023			
	Program		Management and General	Total
	Insurance	Grants		
Salary	\$ 541,383	\$ 108,191	\$ 517,926	\$ 1,167,500
Grants	-	7,710,730	-	7,710,730
Rent	177,807	-	145,479	323,286
Promotion expense	467,978	16,244	-	484,222
Meeting expense	59,656	59,657	123,336	242,649
Consultants	243,869	-	-	243,869
Audit expense	-	-	95,000	95,000
Legal expense	-	-	85,250	85,250
Premium expense	-	-	22,471	22,471
Other expense	199,384	6,068	403,216	608,668
Total expenses	\$ 1,690,077	\$ 7,900,890	\$ 1,392,678	\$ 10,983,645

	2022			
	Program		Management and General	Total
	Insurance	Grants		
Salary	\$ 740,189	\$ 256,560	\$ 552,616	\$ 1,549,365
Grants	-	7,732,030	-	7,732,030
Rent	172,596	-	141,214	313,810
Promotion expense	595,994	22,094	-	618,088
Meeting expense	58,783	58,783	117,565	235,131
Consultants	1,119,485	-	-	1,119,485
Audit expense	-	-	91,475	91,475
Legal expense	-	-	24,565	24,565
Other expense	157,720	7,565	341,610	506,895
Total expenses	\$ 2,844,767	\$ 8,077,032	\$ 1,269,045	\$ 12,190,844

The program activities of the Endowment are limited to insurance administration and grant-making. The Endowment also has general administrative activities classified as management and general expenses. These three categories capture the full scope of the Endowment's activities. Other expenses attributable to the various programs are allocated through a combination of time and effort and direct assignment. Consultants are hired for specific programmatic purposes and legal fees can be allocated based on itemized billings from outside counsel. Grant expenses are recognized in the program allocation.

A significant function of the Endowment is to promote and administer several group insurance programs. However, insurance premium amounts collected from the insureds and remitted to insurance carriers, totaling approximately \$18,400,000 for fiscal year 2023 and \$19,300,000 for fiscal year 2022, are recorded on a net basis, in effect offsetting each other, and do not appear on the consolidated statements of activities. These amounts are therefore not included in the Program-Insurance expenses above.

## American Bar Endowment

### Notes to Consolidated Financial Statements

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#### Note 10. Liquidity and Availability of Resources

Financial assets as of June 30 available to meet general expenditures over their respective subsequent 12-month periods consist of:

	2023	2022
Financial assets at year-end:		
Cash and cash equivalents	\$ 7,790,476	\$ 12,543,370
Interest, dividends and income tax receivables	23,451	29,870
Dividends receivable on group insurance policies	2,819,234	1,426,150
Investments	179,341,447	164,236,740
Total financial assets at year-end	<u>\$ 189,974,607</u>	<u>\$ 178,236,130</u>

Financial assets available to meet general expenditures over the next 12 months:

Cash and cash equivalents	\$ 7,790,476	\$ 12,543,370
Interest, dividends and income tax receivables	23,451	29,870
Dividends receivable on group insurance policies	2,819,234	1,426,150
Budgeted payout on donor-restricted endowments	156,499	155,253
Investments not encumbered by donor restriction	176,829,268	161,724,561
Contingency reserve for the excess major medical plan	(7,457,705)	(7,220,180)
	<u>\$ 180,161,223</u>	<u>\$ 168,659,024</u>

The Endowment has always utilized the services of an investment manager. The Endowment also has a Board reviewed and approved asset allocation overlay for its investment portfolio without donor restrictions. The investment manager assists the Endowment by making recommendations with regard to cash holdings, the liquidity of the portfolio, and enabling transactions to move appropriate funds into cash accounts. A significant component of the Endowment's investment funds is invested in passive accounts. These accounts are highly liquid, and the Endowment will call on them as necessary working with the investment manager to ensure that the Endowment's investment asset allocations are maintained.

**Supplementary Information**

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**American Bar Endowment**

**Consolidating Statement of Financial Position  
June 30, 2023**

	American Bar Endowment		Total	American Lawyers Insurance Plans, Inc. (ALIP)		Eliminations	Consolidated
	General Fund	Premium Fund					
<b>Assets</b>							
Cash and cash equivalents	\$ 4,474,581	\$ 2,856,784	\$ 7,331,365	\$ 459,111	\$ -	\$ -	\$ 7,790,476
Investments	173,292,957	6,048,489	179,341,447	-	-	(457,030)	179,341,447
Investment in ALIP	457,030	-	457,030	-	-	-	-
Interest and dividends receivable	-	19,590	19,590	-	-	-	19,590
Dividends receivable on group insurance policies	2,819,234	-	2,819,234	-	-	-	2,819,234
Income tax receivable	-	-	-	3,861	-	-	3,861
Amounts due from (to) other fund	4,326,725	(4,326,725)	-	-	-	-	-
Property and equipment, net	21,061	-	21,061	-	-	-	21,061
Due from ALIP	1,601	-	1,601	-	(1,601)	-	-
Other assets	156,418	-	156,418	-	-	-	156,418
<b>Total assets</b>	<b>\$ 185,549,607</b>	<b>\$ 4,598,138</b>	<b>\$ 190,147,745</b>	<b>\$ 462,972</b>	<b>\$ (458,631)</b>	<b>\$ -</b>	<b>\$ 190,152,086</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities:</b>							
Premiums payable	-	4,823,547	4,823,547	-	-	-	4,823,547
Allowance for refunds of dividends	2,502,455	-	2,502,455	-	-	-	2,502,455
Due to ABE	-	-	-	1,601	-	(1,601)	-
Grants payable	9,236,858	-	9,236,858	-	-	-	9,236,858
Accrued expenses and other liabilities	334,013	52,874	386,887	4,340	-	-	391,227
Excess major medical plan reserve	7,457,705	-	7,457,705	-	-	-	7,457,705
Pension liability	1,370,825	-	1,370,825	-	-	-	1,370,825
<b>Total liabilities</b>	<b>20,901,856</b>	<b>4,876,422</b>	<b>25,778,277</b>	<b>5,941</b>	<b>(1,601)</b>	<b>(1,601)</b>	<b>25,782,617</b>
<b>Net assets (deficit):</b>							
Without donor restrictions	160,617,744	(278,284)	160,339,460	457,031	(457,030)	-	160,339,461
With donor restrictions	4,030,007	-	4,030,007	-	-	-	4,030,007
<b>Total net assets (deficit)</b>	<b>164,647,751</b>	<b>(278,284)</b>	<b>164,369,467</b>	<b>457,031</b>	<b>(457,030)</b>	<b>(457,030)</b>	<b>164,369,468</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 185,549,607</b>	<b>\$ 4,598,138</b>	<b>\$ 190,147,745</b>	<b>\$ 462,972</b>	<b>\$ (458,631)</b>	<b>\$ -</b>	<b>\$ 190,152,086</b>

## American Bar Endowment

### Consolidating Statement of Financial Position June 30, 2022

	American Bar Endowment		Total	American Lawyers Insurance Plans, Inc. (ALIP)		Eliminations	Consolidated
	General Fund	Premium Fund					
<b>Assets</b>							
Cash and cash equivalents	\$ 8,866,804	\$ 3,173,413	\$ 12,040,217	\$ 503,153	\$ -	\$ -	\$ 12,543,370
Investments	157,875,218	6,361,522	164,236,740	-	-	-	164,236,740
Investment in ALIP	499,346	-	499,346	-	(499,346)	-	-
Interest and dividends receivable	-	20,801	20,801	-	-	-	20,801
Dividends receivable on group insurance policies	1,426,150	-	1,426,150	-	-	-	1,426,150
Income tax receivable	-	-	-	9,069	-	-	9,069
Amounts due from (to) other fund	4,688,895	(4,688,895)	-	-	-	-	-
Property and equipment, net	20,585	-	20,585	-	-	-	20,585
Due from ALIP	4,528	-	4,528	-	(4,528)	-	-
Other assets	170,901	-	170,901	31	-	-	170,932
<b>Total assets</b>	<b>\$ 173,552,427</b>	<b>\$ 4,866,841</b>	<b>\$ 178,419,268</b>	<b>\$ 512,253</b>	<b>\$ (503,874)</b>	<b>\$ -</b>	<b>\$ 178,427,647</b>
<b>Liabilities and Net Assets</b>							
<b>Liabilities:</b>							
Premiums payable	-	\$ 5,084,368	\$ 5,084,368	\$ -	\$ -	\$ -	\$ 5,084,368
Allowance for refunds of dividends	2,108,255	-	2,108,255	-	-	-	2,108,255
Due to ABE	-	-	-	4,528	(4,528)	-	-
Grants payable	9,116,870	-	9,116,870	-	-	-	9,116,870
Accrued expenses and other liabilities	520,808	15,276	536,084	8,379	-	-	544,463
Excess major medical plan reserve	7,220,180	-	7,220,180	-	-	-	7,220,180
Pension liability	1,221,917	-	1,221,917	-	-	-	1,221,917
<b>Total liabilities</b>	<b>20,188,030</b>	<b>5,099,644</b>	<b>25,287,674</b>	<b>12,907</b>	<b>(4,528)</b>	<b>-</b>	<b>25,296,053</b>
<b>Net assets (deficit):</b>							
Without donor restrictions	149,583,895	(232,803)	149,351,092	499,346	(499,346)	-	149,351,092
With donor restrictions	3,780,502	-	3,780,502	-	-	-	3,780,502
<b>Total net assets (deficit)</b>	<b>153,364,397</b>	<b>(232,803)</b>	<b>153,131,594</b>	<b>499,346</b>	<b>(499,346)</b>	<b>-</b>	<b>153,131,594</b>
<b>Total liabilities and net assets (deficit)</b>	<b>\$ 173,552,427</b>	<b>\$ 4,866,841</b>	<b>\$ 178,419,268</b>	<b>\$ 512,253</b>	<b>\$ (503,874)</b>	<b>\$ -</b>	<b>\$ 178,427,647</b>

**American Bar Endowment**

**Consolidating Statement of Activities  
Year Ended June 30, 2023**

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
<b>Revenues and gains:</b>				
Contributions	\$ 8,528,933	\$ -	\$ -	\$ 8,528,933
Commissions and service charge fees	-	13,348	-	13,348
Income on investments	3,296,705	1,148	-	3,297,853
Net unrealized and realized income on investments	10,046,139	-	-	10,046,139
ALIP net loss	(42,316)	-	42,316	-
Other income	5,485	-	(4,119)	1,366
Release from restriction	155,254	-	-	155,254
<b>Total net revenues and gains without donor restrictions</b>	<b>21,990,200</b>	<b>14,496</b>	<b>38,197</b>	<b>22,042,893</b>
<b>Expenses:</b>				
Life program	1,559,040	-	-	1,559,040
Disability income program	648,019	-	-	648,019
Hospital indemnity program	68,084	-	-	68,084
Excess major medical program	198,310	-	-	198,310
Accidental death and dismemberment program	170,601	-	-	170,601
Office overhead expense program	20,052	-	-	20,052
Long-term care program	-	46,848	(4,119)	42,729
Other insurance programs	-	-	-	-
Grants	7,710,730	-	-	7,710,730
Administrative	498,735	-	-	498,735
Income taxes	57,382	9,963	-	67,345
<b>Total expenses</b>	<b>10,930,953</b>	<b>56,811</b>	<b>(4,119)</b>	<b>10,983,645</b>
<b>Increase (decrease) in net assets before other items</b>	<b>11,059,247</b>	<b>(42,315)</b>	<b>42,316</b>	<b>11,059,248</b>
<b>Other items:</b>				
Pension expense	(70,879)	-	-	(70,879)
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>10,988,368</b>	<b>(42,315)</b>	<b>42,316</b>	<b>10,988,369</b>

(Continued)

**American Bar Endowment**

**Consolidating Statement of Activities (Continued)  
Year Ended June 30, 2023**

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Changes in net assets with donor restrictions:				
Net realized and unrealized gain on investments	\$ 404,759	\$ -	\$ -	\$ 404,759
Release from restrictions	(155,254)	-	-	(155,254)
<b>Increase in net assets with donor restrictions</b>	<b>249,505</b>	<b>-</b>	<b>-</b>	<b>249,505</b>
<b>Increase (decrease) in net assets</b>	<b>11,237,873</b>	<b>(42,315)</b>	<b>42,316</b>	<b>11,237,874</b>
Net assets, July 1, 2022	153,131,594	499,346	(499,346)	153,131,594
Net assets, June 30, 2023	\$ 164,369,467	\$ 457,031	\$ (457,030)	\$ 164,369,468

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**American Bar Endowment**

**Consolidating Statement of Activities  
Year Ended June 30, 2022**

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
Revenues and gains:				
Contributions	\$ 5,772,001	\$ -	\$ -	\$ 5,772,001
Commissions and service charge fees	-	163,223	-	163,223
Income on investments	3,357,516	180	-	3,357,696
Net unrealized and realized loss on investments	(13,102,293)	-	-	(13,102,293)
ALIP net income	39,038	-	(39,038)	-
Other income	14,113	-	(13,293)	820
Release from restriction	156,262	-	-	156,262
<b>Total net revenues and gains (losses) without donor restrictions</b>	<b>(3,763,363)</b>	<b>163,403</b>	<b>(52,331)</b>	<b>(3,652,291)</b>
Expenses:				
Life program	2,404,944	-	-	2,404,944
Disability income program	1,011,607	-	-	1,011,607
Hospital indemnity program	90,894	-	-	90,894
Excess major medical program	273,255	-	-	273,255
Accidental death and dismemberment program	223,413	-	-	223,413
Office overhead expense program	27,856	-	-	27,856
Long-term care program	-	103,819	(12,640)	91,179
Comprehensive major medical program	-	226	(28)	198
Other insurance programs	27,209	5,139	(625)	31,723
Grants	7,732,030	-	-	7,732,030
Administrative	229,712	-	-	229,712
Income taxes	58,852	15,181	-	74,033
<b>Total expenses</b>	<b>12,079,772</b>	<b>124,365</b>	<b>(13,293)</b>	<b>12,190,844</b>
<b>(Decrease) increase in net assets before other items</b>	<b>(15,843,135)</b>	<b>39,038</b>	<b>(39,038)</b>	<b>(15,843,135)</b>
Other items:				
Pension loss	(3,214)	-	-	(3,214)
<b>Increase (decrease) in net assets without donor restrictions</b>	<b>(15,846,349)</b>	<b>39,038</b>	<b>(39,038)</b>	<b>(15,846,349)</b>

(Continued)

**American Bar Endowment**

**Consolidating Statement of Activities (Continued)  
Year Ended June 30, 2022**

	American Bar Endowment	American Lawyers Insurance Plans, Inc. (ALIP)	Eliminations	Consolidated
<b>Changes in net assets with donor restrictions:</b>				
Net realized and unrealized loss on investments	\$ (351,122)	\$ -	\$ -	\$ (351,122)
Release from restrictions	(156,262)	-	-	(156,262)
<b>Decrease in net assets with donor restrictions</b>	<b>(507,384)</b>	<b>-</b>	<b>-</b>	<b>(507,384)</b>
<b>Decrease in net assets</b>	<b>(16,353,733)</b>	<b>39,038</b>	<b>(39,038)</b>	<b>(16,353,733)</b>
Net assets, July 1, 2021	169,485,327	460,308	(460,308)	169,485,327
Net assets, June 30, 2022	\$ 153,131,594	\$ 499,346	\$ (499,346)	\$ 153,131,594

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**American Bar**  
**Endowment**  
**FY 2023 AUDIT RESULTS**  
Report to the Finance Committee  
January 26, 2023



Finance Committee  
American Bar Endowment

We are pleased to present this report related to our fiscal year 2023 audit of the American Bar Endowment's (the Endowment) consolidated financial statements. Our report shares the results of our audit work as required by professional standards alongside other meaningful insights, which we believe will help you in executing your oversight responsibility for the Endowment's financial reporting process.

It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Endowment.

[Firm Signature]

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This report is intended solely for the information and use of the Finance Committee, Board of Directors, and management, and is not intended to be, and should not be, used by anyone other than these specified parties.



Helping you meet requirements, turn challenges into opportunities and improve your business.



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# EXECUTIVE SUMMARY

## Audit Status

The fiscal year 2023 audit is nearing completion.

We expect the Endowment to be able to issue the consolidated financial statements soon.

After completing our remaining procedures, we expect to issue an unqualified opinion on the consolidated financial statements.

## Significant Changes to the Planned Audit Strategy

There were delays to the audit process but no significant changes to the planned audit strategy communicated to the Finance Committee in our report dated May 31, 2023. We did remove the significant risk, initially assessed, over the Endowment's implementation of ASU Topic 842, Leases. Upon further analysis, the impact of implementation was deemed to be insignificant to the Endowment for the fiscal year ended June 30, 2023, as the Endowment's lease for office space is set to expire in June of 2024.

## Audit Adjustments or Uncorrected Misstatements

There was one audit adjustment made to the original trial balance presented to us to begin our audit. Management also provided us with certain adjusting entries during the course of the audit process, and these are reflected in the consolidated financial statements.

## Significant Deficiency in Internal Control

We identified a significant deficiency related to the improper accounting for investments at June 30, 2023, as further described in Appendix B.

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UNDERSTAND  
THE CLIENT

RISK  
ASSESSMENT

FURTHER AUDIT  
PROCEDURES

EVALUATION

DELIVERY

## Accounting policies and practices

The following required communications summarize our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Matter to Report	Yes	No
Changes to the planned scope and timing of the audit	✓	Our separate communication dated May 31, 2023, describes the planned scope and timing of our audit and identified significant risks. We experienced delays in the audit process.
<b>Accounting policies and practices</b>		
Preferability of accounting policies and practices	✓	Under accounting principles generally accepted in the United States of America, management may select among alternative accounting practices in certain circumstances. In our view, in such circumstances, management has selected the preferable accounting practice.
Adoption of, or change in, accounting policies	✓	<p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Endowment.</p> <p>The following is a description of a significant accounting policy that was implemented during the fiscal year:</p> <ul style="list-style-type: none"> <li>The FASB issued ASU 2016-02, <i>Leases (Topic 842)</i>. The guidance in this ASU and its subsequently issued amendments supersedes the leasing guidance in Topic 840, <i>Leases</i>. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with original terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities.</li> <li>Implementation of the standard did not have a significant impact on the Endowment's consolidated financial statements for fiscal year 2023. In the event the Endowment enters into a significant long term lease agreement, it is expected that total assets and total liabilities as reflected on the Endowment's statement of financial position will increase by an amount equivalent to fixed lease payments to be made through the related lease terms, as discounted to present value.</li> </ul>
Significant accounting policies	✓	We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Significant unusual transactions	✓	We did not identify any significant unusual transactions.

## Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

### Valuation of Investments

#### Accounting policy

Investments are recorded at fair value in accordance with the Fair Value Measurements and Disclosures Topic of the Codification.

#### Management's estimation process

Investments are recorded at fair value, which is based on information provided to the Endowment by the investment broker and fund managers. Depending on the type of investment, this valuation can be based on the net asset value per share at the measurement date, if available, or information provided by the fund's management, including the composition of underlying asset types, and the fund's underlying audited financial statements.

#### Basis for our conclusion on the reasonableness of the estimate

We have reviewed the procedures used by management in arriving at its estimates of fair value of investments and have inspected the supporting documentation. Under the circumstances, we believe the procedures are reasonable and the documentation appropriate.

### Pension Plan Expense and Liability

#### Accounting policy

The Endowment records its liability related to pension benefits based on information provided by the actuary for the pension plan.

#### Management's estimation process

Management provides the various inputs such as age, sex of the beneficiaries, employer contributions, expected benefit payments, discount rates and expected rate of return on plan assets. The actuary uses the various inputs to compute the projected benefit obligations.

#### Basis for our conclusion on the reasonableness of the estimate

Management's methodology and assumptions are consistent with previous years. We have also performed tests of the computation of the liability to satisfy ourselves as to its reasonableness at year-end.

## Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events.

### Dividend Reserve

#### Accounting policy

A provision is made for an estimate of dividends, which may be claimed as refunds by members and in turn not contributed back to the Endowment.

#### Management's estimation process

The allowance is adjusted based on historical data and averages of refunds issued in prior years.

#### Basis for our conclusion on the reasonableness of the estimate

We performed an analysis to compare historical refunds issued as a percentage of related total available dividends for all major plans. In addition, we performed confirmation procedures over the related policy years' activity for these plans directly with the carriers. We believe that management's estimation process is reasonable.

### Functional Allocation of Expense

#### Accounting policy

The costs of making grants, as well as administering the Endowment's insurance plans and other activities, are allocated on a functional basis in the consolidated financial statements.

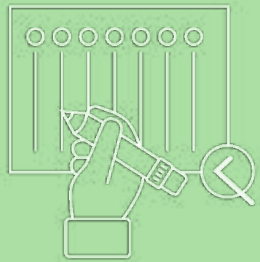
#### Management's estimation process

Operating expenses directly identified with a functional area or specific insurance plan are charged to that area or plan and those expenses which affect more than one area and/or more than one plan are allocated to the respective areas and/or plans on the basis of ratios estimated by management.

#### Basis for our conclusion on the reasonableness of the estimate

We have tested the allocation of expenses and have determined that management's estimation process is reasonable and consistent.

## Audit Adjustments and Uncorrected Misstatements



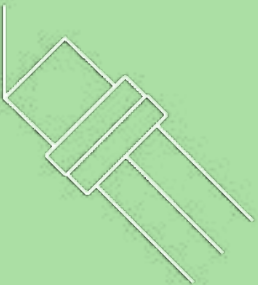
### AUDIT ADJUSTMENTS

One audit adjustment was proposed by us during the audit and recorded by the Endowment.

The adjustment was to increase both the value of the Endowment's investment assets and the related investment return (income) by \$3,605,353, in order to properly reflect fair market value at June 30, 2023.

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We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.



### UNCORRECTED MISSTATEMENTS

## Internal Control Matters



The following deficiency in internal control over financial reporting was identified during our audit:

- **Significant deficiency**  
Improper Accounting for Investments (Application of Accounting Principles Generally Accepted in the United States of America) (U.S. GAAP)

For additional details, see our letter attached as [Appendix B](#).

## Observations About the Audit Process

Matter to Report	Yes	No
<b>Observations about the audit process</b>		
Significant issues discussed with management	✓	
	<p>We discussed with management turnover in the accounting function and the period of vacancy in the accounting manager position during the year, as well as impact on accounting processes and internal controls.</p> <p>In addition, we had several discussions with the Endowment's new executive director (effective September 2023) regarding a meeting the Endowment's new accounting manager (hired in May 2023) had with certain board members on November 20 regarding his observations related to the accounting and finance function at the Endowment and the 2023 audit process, as outlined in a presentation document of the same date. We also discussed the accounting manager's resignation, as communicated in the document.</p>	
Disagreements with management	✓	
	<p>There were no disagreements with management.</p>	
Significant difficulties encountered in performing the audit	✓	
	<p>Circumstances caused by turnover in the accounting manager position during the year and in the executive director position subsequent to year-end resulted in delays to the audit, expanding its duration and our time incurred.</p> <p>In addition, the accounting manager matter as discussed above created complications for the audit, which was in process and nearly complete at the time this arose. We reviewed and discussed with the Endowment's executive director her January 9, 2024 memo which addressed matters discussed in the accounting manager's presentation document. Due to the nature of, and in response to, the subject matter included in the document, we also engaged in internal consultations with certain professionals and specialists at our firm, developed and added new information and documentation to our audit file, and submitted our audit file and report deliverables for an additional level of internal quality review.</p>	
Consultations with other accountants	✓	
	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>	
Difficult or contentious matters that required consultation	✓	
	<p>There were no technical accounting matters which required consultation outside our engagement team. However, as described above, we engaged in consultations with certain professionals and specialists at our firm in addressing matters raised by the accounting manager which related to the audit of the financial statements.</p>	



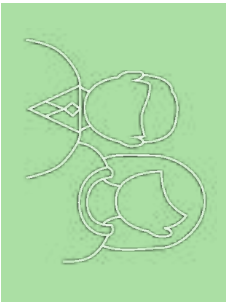
## Independence

### Shared Responsibilities: AICPA Independence

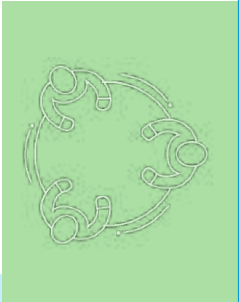
The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For RSM to fulfill its professional responsibility to maintain and monitor independence, management, the Finance Committee, and RSM each play an important role.

### Our responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. RSM is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality control over compliance with independence rules and firm policies.



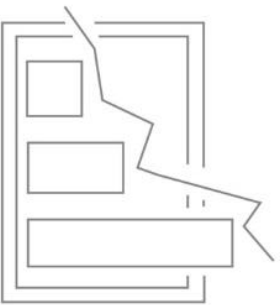
### The Endowment's responsibilities



- Timely inform RSM, before the effective date of transactions or other organizational changes, of the following:
  - New affiliates, directors, officers, or person in financial reporting oversight roles.
  - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated organizational structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Endowment and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with RSM.
- Not entering into relationships resulting in RSM. RSM covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Endowment.

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# NONPROFIT UPDATE



We are pleased to provide real-time, relevant perspectives to help our nonprofit clients anticipate and address the unique issues and challenges facing their organizations and the sectors in which they operate. We believe the following resources will be useful to you:

[View all RSM Insights](#)

## INSIGHTS AVAILABLE



### [The Real Economy: Industry Outlook](#)

Industry-specific quarterly insights

### [Governance, risk and compliance solutions](#)

Enabling and protecting your organization through strong governance, risk and compliance models

### [Critical issues for boards and audit committees](#)

Guidance for board members and audit committees

### [4 Ways Nonprofits Can Drive Mission Impact](#)

An infographic that highlights four strategies to achieve this goal



### [New Guidance from IRS on Correction of Errors in Qualified Retirement Plans](#)

Interpreting the SECURE 2.0 Act of 2022

### [US Charitable Donations Fell Last Year](#)

A brief review of the \$499 billion decline in donations in 2022

### [Debunking 5 Common Myths About Nonprofits and AI](#)

Discussion of common AI misconceptions

## Significant Written Communication Between Management and Our Firm

A copy of a significant written communication between our firm and the management of the Endowment, the representation letter provided to us by management, is attached.

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## Internal Control Matters

A copy of our communication of a significant deficiency in internal control over financial reporting identified during our audit is attached.

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[DATE]

Finance Committee  
American Bar Endowment  
Chicago, Illinois

Attention: Ms. Michelle A. Behnke, Finance Committee Chair

In planning and performing our audit of the consolidated financial statements of American Bar Endowment (the Endowment) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Endowment's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Endowment's internal control. Accordingly, we do not express an opinion on the effectiveness of the Endowment's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when: (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Endowment's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Endowment's internal control to be a significant deficiency.

Ms. Michelle A. Behnke, Finance Committee Chair  
American Bar Endowment

[DATE]

Page 2

### **Improper Accounting for Investments (Application of Accounting Principles Generally Accepted in the United States of America) (U.S. GAAP)**

During our testing of investments, we identified certain accounting errors over valuation. We proposed an audit adjustment in the amount of \$3,605,353 to increase both the value of the Endowment's investment assets and the related investment return in order to properly reflect investments at their fair value at June 30, 2023. Management recorded the adjustment to the financial statements.

We believe the accounting errors are attributable to ineffective reconciliation and review of investment activity at June 30, 2023, and during the fiscal year, related to accounting for fair value. The retirement of the Endowment's long-time accounting manager during the fiscal year and the period of time between the date of retirement in November 2022 and the hiring of a new accounting manager in May 2023 appears to have contributed to these conditions.

#### **Recommendation**

We recommend that the accounting manager perform a thorough review and reconciliation of investment activity throughout each month of the fiscal year to ensure transactions are properly recorded in the general ledger and the fair values of the investments, per investment manager statements, are ultimately reflected on the statement of financial position at year-end.

#### **Management's response**

The Endowment hired a new Executive Director whose background and skillset is appropriate to critically evaluate and assess the Endowment's finance function, including internal control processes. The Executive Director's intention is to establish rigorous analysis and procedures to be performed consistently throughout the course of the year to ensure accuracy. The Endowment is currently working closely with investment advisors to develop more efficient techniques of reconciliation to ensure transparency and accuracy on a timely basis. The Endowment will be considering a consulting project with an outside firm to perform a business process review, focused on evaluating and modernizing the finance/accounting function through controls, processes, and technology.

The identified significant deficiency above is not considered to be a material weakness.

Management's response to the internal control deficiencies identified in our audit were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, the Finance Committee and Board of Directors and is not intended to be, and should not be, used by anyone other than these specified parties.

[Firm Signature]

# RSM CONTACTS

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# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**2022**

Open to Public Inspection

**A** For the **2022** calendar year, or tax year beginning **JUL 1, 2022** and ending **JUN 30, 2023**

<b>B</b> Check if applicable:  Address change Name change Initial return Final return/terminated Amended return Application pending	<b>C</b> Name of organization <b>AMERICAN BAR ENDOWMENT</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>321 N. CLARK STREET 1400</b> City or town, state or province, country, and ZIP or foreign postal code <b>CHICAGO, IL 60654-7648</b>	<b>D</b> Employer identification number <b>36-2384321</b> <b>E</b> Telephone number <b>(312) 988-6400</b>
	<b>F</b> Name and address of principal officer: <b>DANA HILL</b> <b>SAME AS C ABOVE</b>	<b>G</b> Gross receipts \$ <b>46,959,021.</b> <b>H(a)</b> Is this a group return for subordinates? ..... Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? Yes No If "No," attach a list. See instructions <b>H(c)</b> Group exemption number
	<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) ( ) (insert no.) 4947(a)(1) or 527	
	<b>J</b> Website: <b>WWW.ABENDOWMENT.ORG</b>	
	<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other	<b>L</b> Year of formation: <b>1942</b> <b>M</b> State of legal domicile: <b>IL</b>

**Part I Summary**

	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>THE CORPORATION'S PURPOSES ARE TO ADVANCE LEGAL STUDY AND RESEARCH TO PROMOTE THE ADMINISTRATION OF</b>		
	<b>2</b>	Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>Activities &amp; Governance</b>	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>14</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>14</b>
	<b>5</b>	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	<b>5</b>	<b>12</b>
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>14</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>152,707.</b>
	<b>7b</b>	Net unrelated business taxable income from Form 990-T, Part I, line 11	<b>7b</b>	<b>168,158.</b>
	<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>5,772,001.</b>
<b>9</b>		Program service revenue (Part VIII, line 2g)	<b>0.</b>	<b>0.</b>
<b>10</b>		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>11,291,160.</b>	<b>15,630,898.</b>
<b>11</b>		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>271,921.</b>	<b>111,757.</b>
<b>12</b>		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>17,335,082.</b>	<b>24,271,588.</b>
<b>Expenses</b>		<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>7,732,030.</b>
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>1,553,781.</b>	<b>1,364,154.</b>
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25)	<b>60,129.</b>	
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>3,126,616.</b>	<b>2,420,448.</b>
	<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>12,412,427.</b>	<b>11,495,333.</b>
	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>4,922,655.</b>	<b>12,776,255.</b>
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16)	<b>178,419,268.</b>	<b>190,147,745.</b>
	<b>21</b>	Total liabilities (Part X, line 26)	<b>25,287,674.</b>	<b>25,778,277.</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>153,131,594.</b>	<b>164,369,468.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>DANA HILL, EXECUTIVE DIRECTOR</b> Type or print name and title	Date
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>REBEKUH ELEY</b>	Preparer's signature
	Firm's name <b>RSM US LLP</b>	Date
	Firm's address <b>30 SOUTH WACKER DR, SUITE 3300 CHICAGO, IL 60606-3392</b>	Check if self-employed <input type="checkbox"/>
		PTIN <b>P01247672</b>
		Firm's EIN <b>42-0714325</b>
		Phone no. <b>312-634-3400</b>

May the IRS discuss this return with the preparer shown above? See instructions  Yes  No



Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: THE CORPORATION'S PURPOSES ARE TO ADVANCE LEGAL STUDY AND RESEARCH TO PROMOTE THE ADMINISTRATION OF JUSTICE AND UNIFORMITY OF JUDICIAL DECISION THROUGHOUT THE UNITED STATES.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 7,710,731. including grants of \$ 7,710,731. ) (Revenue \$ ) UNRESTRICTED GRANTS TO THE AMERICAN BAR FOUNDATION AND THE ABA FUND FOR JUSTICE AND EDUCATION IN SUPPORT OF THEIR RESEARCH, PUBLIC SERVICE, AND EDUCATIONAL PROJECTS AND PROGRAMS. ALSO OPPORTUNITY GRANTS TO A NUMBER OF PRIMARILY COMMUNITY-BASED 501(C)(3) LEGAL SERVICE PROVIDERS.

4b (Code: ) (Expenses \$ 1,621,588. including grants of \$ 0. ) (Revenue \$ 0. ) INSURANCE PROGRAMS OPERATED TO PRODUCE CONTRIBUTIONS.

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 9,332,319.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions .....		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....	X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....	X	
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i> .....	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		X
14a Did the organization maintain an office, employees, or agents outside of the United States? .....		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> See instructions .....		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	X	

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question number, Yes, No. Rows 22-38 covering various organizational requirements.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with 3 columns: Question number, Yes, No. Rows 1a-1c regarding Form 1096, Forms W-2G, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 17 regarding employee counts, tax returns, gross income, foreign accounts, prohibited transactions, and charitable contributions.

**Part VI Governance, Management, and Disclosure.** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	<b>1a</b> 14		
<b>b</b>	Enter the number of voting members included on line 1a, above, who are independent		
	<b>1b</b> 14		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?	X	
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b>	Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official		X
<b>b</b>	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed SEE SCHEDULE O
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website      Another's website       Upon request      Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records  
DANA HILL - (312) 988-6400  
321 N. CLARK STREET, 1400, CHICAGO, IL 60654-7648

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) JOANNE MARTIN EXECUTIVE DIRECTOR	37.50 0.00				X		317,546.	0.	43,736.	
(2) GARY KARLOWICZ ACCOUNTING MANAGER	37.50 0.00				X		130,449.	0.	24,004.	
(3) DAN WOLTERINK IT MANAGER	37.50 0.00				X		103,951.	0.	12,749.	
(4) HOWARD H. VOGEL PRESIDENT	1.00 0.00	X		X			0.	0.	0.	
(5) HON. LORA J. LIVINGSTON VICE PRESIDENT	1.00 0.00	X		X			0.	0.	0.	
(6) HILARIE BASS TREASURER	1.00 0.00	X		X			0.	0.	0.	
(7) TOMMY D. PRESTON, JR. SECRETARY	1.00 0.00	X		X			0.	0.	0.	
(8) MICHELLE A. BEHNKE DIRECTOR	1.00 0.00	X					0.	0.	0.	
(9) ROBERT M. CARLSON DIRECTOR	1.00 0.00	X					0.	0.	0.	
(10) MICHAEL E. FLOWERS DIRECTOR	1.00 0.00	X					0.	0.	0.	
(11) TRACY A. GILES DIRECTOR	1.00 0.00	X					0.	0.	0.	
(12) CAROLYN B. LAMM DIRECTOR	1.00 0.00	X					0.	0.	0.	
(13) ROBERTA B. LIEBENBERG DIRECTOR	1.00 0.00	X					0.	0.	0.	
(14) RANDALL D. NOEL DIRECTOR	1.00 0.00	X					0.	0.	0.	
(15) PATRICIA LEE REFO DIRECTOR	1.00 0.00	X					0.	0.	0.	
(16) KEVIN L. SHEPHERD EX OFFICIO	1.00 0.00	X					0.	0.	0.	
(17) PALMER GENE VANCE II EX OFFICIO	1.00 0.00	X					0.	0.	0.	

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Subtotal</b>							551,946.	0.	80,489.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							551,946.	0.	80,489.	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 3

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ZEISGROUP, 13205 MANCHESTER ROAD, SUITE 410, SAINT LOUIS, MO 63131	PROMOTIONAL SERVICES	475,494.
SASS ADVISORS 12 W PARKWAY PLACE, HOLMDEL, NJ 07733	CONSULTING SERVICES	168,000.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 2

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above ...	<b>1f</b>	8,528,933.				
	<b>g</b> Noncash contributions included in lines 1a-1f	<b>1g</b>	\$				
	<b>h Total.</b> Add lines 1a-1f .....			8,528,933.			
<b>Program Service Revenue</b>	<b>2 a</b> _____	<b>Business Code</b>					
	<b>b</b> _____						
	<b>c</b> _____						
	<b>d</b> _____						
	<b>e</b> _____						
	<b>f</b> All other program service revenue .....						
	<b>g Total.</b> Add lines 2a-2f .....						
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....		4,046,377.			4046377.	
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	<b>6a</b>	(i) Real				
			(ii) Personal				
	<b>b</b> Less: rental expenses ...	<b>6b</b>					
	<b>c</b> Rental income or (loss)	<b>6c</b>					
	<b>d</b> Net rental income or (loss) .....						
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	<b>7a</b>	(i) Securities	34,271,954.			
			(ii) Other				
	<b>b</b> Less: cost or other basis and sales expenses .....	<b>7b</b>	22,687,433.				
	<b>c</b> Gain or (loss) .....	<b>7c</b>	11,584,521.				
	<b>d</b> Net gain or (loss) .....			11,584,521.		11584521.	
<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>8a</b>						
<b>b</b> Less: direct expenses .....	<b>8b</b>						
<b>c</b> Net income or (loss) from fundraising events .....							
<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>9a</b>						
<b>b</b> Less: direct expenses .....	<b>9b</b>						
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>10a</b>						
<b>b</b> Less: cost of goods sold .....	<b>10b</b>						
<b>c</b> Net income or (loss) from sales of inventory .....							
<b>Miscellaneous Revenue</b>	<b>11 a</b> COST SHARING WITH ALIP	900099	148,588.		148,588.		
	<b>b</b> SERVICES TO ALIP	900099	4,119.		4,119.		
	<b>c</b> ALIP NET LOSS	900099	-42,316.			-42,316.	
	<b>d</b> All other revenue .....	900099	1,366.			1,366.	
	<b>e Total.</b> Add lines 11a-11d .....			111,757.			
<b>12 Total revenue.</b> See instructions .....			24,271,588.	0.	152,707.	15589948.	



**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	7,710,731.	7,710,731.		
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
<b>4</b> Benefits paid to or for members .....				
<b>5</b> Compensation of current officers, directors, trustees, and key employees .....	297,046.	140,502.	156,544.	
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
<b>7</b> Other salaries and wages .....	623,994.	287,515.	320,340.	16,139.
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	274,963.		274,963.	
<b>9</b> Other employee benefits .....	105,941.	49,095.	54,700.	2,146.
<b>10</b> Payroll taxes .....	62,210.	28,531.	31,788.	1,891.
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management .....	95,000.		95,000.	
<b>b</b> Legal .....	22,471.		22,471.	
<b>c</b> Accounting .....	82,750.		82,750.	
<b>d</b> Lobbying .....				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees .....	249,914.		249,914.	
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	242,086.		242,086.	
<b>12</b> Advertising and promotion .....	616,383.	592,896.		23,487.
<b>13</b> Office expenses .....	190,548.	145,752.	34,398.	10,398.
<b>14</b> Information technology .....	38,490.	34,388.	4,102.	
<b>15</b> Royalties .....				
<b>16</b> Occupancy .....	327,575.	177,807.	149,768.	
<b>17</b> Travel .....	4,496.	4,496.		
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings .....	239,939.		239,939.	
<b>20</b> Interest .....				
<b>21</b> Payments to affiliates .....				
<b>22</b> Depreciation, depletion, and amortization .....	19,485.	9,216.	10,269.	
<b>23</b> Insurance .....	69,288.		69,288.	
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
<b>a</b> COSTS SHARING WITH ALIP	148,588.	148,588.		
<b>b</b> TAXES CURRENT YEAR	57,382.		57,382.	
<b>c</b> RENAISSANCE	6,068.			6,068.
<b>d</b> _____				
<b>e</b> All other expenses _____	9,985.	2,802.	7,183.	
<b>25</b> Total functional expenses. Add lines 1 through 24e	11,495,333.	9,332,319.	2,102,885.	60,129.
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	12,040,217.	<b>1</b>	7,331,365.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....	149,631.	<b>3</b>	116,205.
	<b>4</b> Accounts receivable, net .....		<b>4</b>	
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	21,270.	<b>9</b>	40,213.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 598,537.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 577,476.	20,585.	<b>10c</b> 21,061.
	<b>11</b> Investments - publicly traded securities .....	164,236,740.	<b>11</b>	179,341,447.
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....	499,346.	<b>13</b>	457,030.
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	1,451,479.	<b>15</b>	2,840,424.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) .....	178,419,268.	<b>16</b>	190,147,745.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	12,840,632.	<b>17</b>	12,668,139.
	<b>18</b> Grants payable .....	9,116,870.	<b>18</b>	9,236,858.
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	3,330,172.	<b>25</b>	3,873,280.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	25,287,674.	<b>26</b>	25,778,277.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions .....	149,351,092.	<b>27</b>	160,339,461.
	<b>28</b> Net assets with donor restrictions .....	3,780,502.	<b>28</b>	4,030,007.
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds .....		<b>29</b>	
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>30</b>	
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>31</b>	
	<b>32</b> Total net assets or fund balances .....	153,131,594.	<b>32</b>	164,369,468.
<b>33</b> Total liabilities and net assets/fund balances .....	178,419,268.	<b>33</b>	190,147,745.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	24,271,588.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	11,495,333.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	12,776,255.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	153,131,594.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	-1,538,381.
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	164,369,468.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

- 1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? \_\_\_\_\_  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? \_\_\_\_\_  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? \_\_\_\_\_  
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? \_\_\_\_\_
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits \_\_\_\_\_

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

Form 990 (2022)



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	6581077.	6803570.	7024291.	5772001.	8528933.	34709872.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	6581077.	6803570.	7024291.	5772001.	8528933.	34709872.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						34709872.

**Section B. Total Support**

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
<b>7</b> Amounts from line 4 .....	6581077.	6803570.	7024291.	5772001.	8528933.	34709872.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....	3512027.	3513532.	2561202.	3468187.	4046377.	17101325.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....	156,402.	132,846.	137,937.	177,854.	152,707.	757,746.
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....	1,339.	1,857.	628,591.	39,858.	1,366.	673,011.
<b>11 Total support.</b> Add lines 7 through 10						53241954.

**12** Gross receipts from related activities, etc. (see instructions) ..... **12**

**13 First 5 years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** .....

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f)) .....	<b>14</b>	65.19 %
<b>15</b> Public support percentage from 2021 Schedule A, Part II, line 14 .....	<b>15</b>	66.07 %
<b>16a 33 1/3% support test - 2022.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input checked="" type="checkbox"/>
<b>b 33 1/3% support test - 2021.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2022.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2021.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2018, (b) 2019, (c) 2020, (d) 2021, (e) 2022, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business under section 513; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total. Add lines 1 through 5; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; b Amounts included on lines 2 and 3 received from other than disqualified persons; c Add lines 7a and 7b; 8 Public support. (Subtract line 7c from line 6.)

Section B. Total Support

Table with 7 columns: (a) 2018, (b) 2019, (c) 2020, (d) 2021, (e) 2022, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; c Add lines 10a and 10b; 11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on; 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.); 13 Total support. (Add lines 9, 10c, 11, and 12.)

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Line Number, Percentage. Row 15: Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f)) - 15 - %; Row 16: Public support percentage from 2021 Schedule A, Part III, line 15 - 16 - %

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Line Number, Percentage. Row 17: Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f)) - 17 - %; Row 18: Investment income percentage from 2021 Schedule A, Part III, line 17 - 18 - %

19a 33 1/3% support tests - 2022. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2021. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
<b>b</b> A family member of a person described on line 11a above?		
<b>c</b> A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
<b>11a</b>		
<b>11b</b>		
<b>11c</b>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		
<b>1</b>		
<b>2</b>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
<b>1</b>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
<b>1</b>		
<b>2</b>		
<b>3</b>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
<b>2</b> Activities Test. Answer lines 2a and 2b below.			
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>			
<b>b</b> Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>			
<b>3</b> Parent of Supported Organizations. Answer lines 3a and 3b below.			
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>			
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>			
<b>2a</b>			
<b>2b</b>			
<b>3a</b>			
<b>3b</b>			



**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 ( *explain in Part VI*). **See instructions.**  
 All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors ( <i>explain in detail in Part VI</i> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	<b>Total annual distributions.</b> Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2022 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1	Distributable amount for 2022 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2022 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2022		
a	From 2017		
b	From 2018		
c	From 2019		
d	From 2020		
e	From 2021		
f	<b>Total</b> of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2022 distributable amount		
i	Carryover from 2017 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2022 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2022 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	<b>Excess distributions carryover to 2023.</b> Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2018		
b	Excess from 2019		
c	Excess from 2020		
d	Excess from 2021		
e	Excess from 2022		

**Part VI**

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information.  
(See instructions.)

**SCHEDULE A, PART II, LINE 10, EXPLANATION FOR OTHER INCOME:**

**ALL OTHER REVENUE**

2018 AMOUNT: \$ 1,339.

2019 AMOUNT: \$ 1,857.

2020 AMOUNT: \$ 489,873.

2021 AMOUNT: \$ 820.

2022 AMOUNT: \$ 1,366.

**ALIP NET INCOME**

2020 AMOUNT: \$ 138,718.

2021 AMOUNT: \$ 39,038.

DRAFT

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: AMERICAN BAR ENDOWMENT; Employer identification number: 36-2384321

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Includes questions 1-6 regarding donor advised funds.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Form for Part II Conservation Easements, including checkboxes for preservation purposes and a table for held at the end of the tax year (2a-2d).

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets, including questions 1a, 1b, and 2.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange program
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount      |
|---------------------------------|-------------|
| c Beginning balance             | -9,784.     |
| d Additions during the year     | 18,437,861. |
| e Distributions during the year | 18,434,843. |
| f Ending balance                | -6,766.     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	153,068,416.	166,491,229.	133,007,281.	135,809,888.	129,688,177.
b Contributions	8,506,545.	5,689,501.	6,332,397.	6,500,362.	6,309,527.
c Net investment earnings, gains, and losses	7,361,886.	-7,097,396.	37,728,982.	1,224,766.	10,374,792.
d Grants or scholarships	7,515,927.	7,667,176.	7,272,903.	7,158,514.	6,893,633.
e Other expenditures for facilities and programs	128,207.	317,966.	319,017.	316,388.	302,528.
f Administrative expenses	3,338,253.	4,029,776.	2,985,511.	3,052,833.	3,366,447.
g End of year balance	157,954,460.	153,068,416.	166,491,229.	133,007,281.	135,809,888.

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment 97.5300 %
  - b Permanent endowment 2.4700 %
  - c Term endowment \_\_\_\_\_ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |                             | Yes                      | No                                  |
|-----------------------------|--------------------------|-------------------------------------|
| (i) Unrelated organizations | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (ii) Related organizations  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
- b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		598,537.	577,476.	21,061.
e Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				<b>21,061.</b>

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) ALLOWANCE FOR REFUNDS OF DIVIDENDS	2,502,455.
(3) PENSION LIABILITY	1,370,825.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART V, LINE 4:**

THE ORGANIZATION IS ORGANIZED EXCLUSIVELY FOR CHARITABLE AND EDUCATIONAL PURPOSES INCLUDING, FOR SUCH PURPOSES, THE MAKING OF DISTRIBUTIONS FROM THE ENDOWMENT FUNDS TO ORGANIZATIONS THAT QUALIFY AS EXEMPT ORGANIZATIONS UNDER SECTION 501(C)(3). WITHIN THE FOREGOING, THE CORPORATION'S PURPOSES IN PART ARE TO ADVANCE LEGAL STUDY AND RESEARCH AND TO PROMOTE THE ADMINISTRATION OF JUSTICE AND UNIFORMITY OF JUDICIAL DECISION THROUGHOUT THE UNITED STATES.

**PART X, LINE 2:**

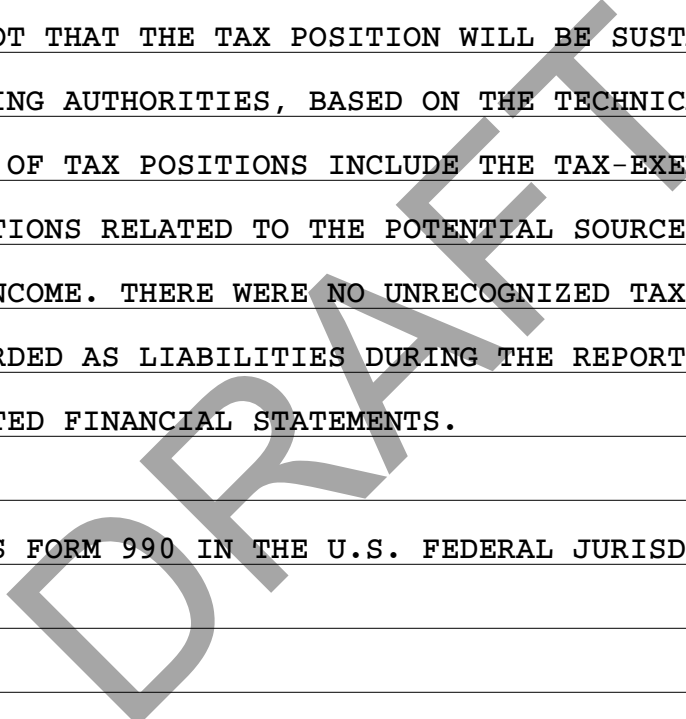
THE ENDOWMENT IS EXEMPT FROM INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND APPLICABLE STATE LAW. HOWEVER, INCOME FROM

**Part XIII** Supplemental Information (continued)

CERTAIN ACTIVITIES NOT DIRECTLY RELATED TO THE ENDOWMENT'S TAX-EXEMPT PURPOSES IS SUBJECT TO TAXATION AS UNRELATED BUSINESS INCOME.

THE ENDOWMENT FOLLOWS THE ACCOUNTING STANDARD ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH ADDRESSES THE DETERMINATION OF WHETHER TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED IN THE FINANCIAL STATEMENTS. UNDER THIS GUIDANCE, THE ENDOWMENT MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. EXAMPLES OF TAX POSITIONS INCLUDE THE TAX-EXEMPT STATUS OF THE ENDOWMENT AND POSITIONS RELATED TO THE POTENTIAL SOURCES OF UNRELATED BUSINESS TAXABLE INCOME. THERE WERE NO UNRECOGNIZED TAX BENEFITS IDENTIFIED OR RECORDED AS LIABILITIES DURING THE REPORTING PERIODS COVERED BY THESE CONSOLIDATED FINANCIAL STATEMENTS.

THE ENDOWMENT FILES FORM 990 IN THE U.S. FEDERAL JURISDICTION AND THE STATE OF ILLINOIS.





**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.  
**Attach to Form 990.**  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2022**

**Open to Public  
Inspection**

Name of the organization **AMERICAN BAR ENDOWMENT** Employer identification number **36-2384321**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  **Yes**  **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of noncash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
ABA FUND FOR JUSTICE & EDUCATION 321 N. CLARK STREET CHICAGO, IL 60654	36-6110299	501(C)(3)	3,637,363.	0.			UNRESTRICTED, SUPPORTS LAW-RELATED PROJECTS AND PROGRAMS
AMARA LEGAL CENTER 1629 K ST. NW, SUITE 300 WASHINGTON, DC 20006	46-3819394	501(C)(3)	25,000.	0.			UNSPECIFIED
AMERICAN BAR FOUNDATION 750 N LAKE SHORE DRIVE CHICAGO, IL 60611	36-6110271	501(C)(3)	3,637,363.	0.			UNRESTRICTED SUPPORTS LAW RELATED RESEARCH
ASYLUM SEEKER ADVOCACY PROJECT 228 PARK AVE. S. #84810 NEW YORK, NY 10003	83-3011862	501(C)(3)	25,000.	0.			UNSPECIFIED
LEGAL AID OF NEBRASKA 209 S. 19TH ST. SUITE 200 OMAHA, NE 68102	47-0483506	501(C)(3)	40,000.	0.			UNSPECIFIED
LONE STAR JUSTICE ALLIANCE 3809 S 1ST ST AUSTIN, TX 78704	82-2345921	501(C)(3)	25,000.	0.			UNSPECIFIED

- 2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table **14.**
- 3** Enter total number of other organizations listed in the line 1 table **0.**

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Schedule I (Form 990) 2022

**Part II** Continuation of Grants and Other Assistance to Domestic Organizations and Domestic Governments (Schedule I (Form 990), Part II.)

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of noncash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MASSACHUSETTS TRANSGENDER POLITICAL COALITION - PO BOX 960784 - BOSTON, MA 02196	04-2660498	501(C)(3)	20,000.	0.			UNSPECIFIED
MEMPHIS PUBLIC INTEREST LAW CENTER P.O. BOX 382184 GERMANTOWN, TN 38138	45-4099031	501(C)(3)	24,100.	0.			UNSPECIFIED
MOBILE PATHWAYS 2039 SHATTUCK AVE. #500 BERKELEY, CA 94704	05-0393004	501(C)(3)	25,000.	0.			UNSPECIFIED
MONTCLAIR STATE UNIVERSITY 1 NORMAL AVE MONTCLAIR, NJ 07043	22-6017209	501(C)(3)	21,601.	0.			UNSPECIFIED
NEW FRIENDS NEW LIFE P.O. BOX 192378 DALLAS, TX 75219	75-2820473	501(C)(3)	25,000.	0.			UNSPECIFIED
RESOURCES INPIRING SUCCESS AND EMPOWERING - 6707 BRENTWOOD STAIR RD 220 - FORT WORTH, TX 76112	47-3762217	501(C)(3)	20,000.	0.			UNSPECIFIED
WILLIAM S BOYD SCHOOL OF LAW 4505 S MARYLAND PKWY LAS VEGAS, NV 89154	94-2790134	501(C)(3)	19,500.	0.			UNSPECIFIED
WOMEN AND CHILDREN'S HORIZONS 2525 63RD ST KENOSHA, WI 53143	39-1278299	501(C)(3)	25,000.	0.			UNSPECIFIED

**Part III Grants and Other Assistance to Domestic Individuals.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

**Part IV Supplemental Information.** Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

THE ABE RECEIVES QUARTERLY WRITTEN REPORTS AND ORAL PRESENTATIONS FROM ITS PRINCIPAL GRANTEEES AT ABE BOARD MEETINGS WITH REGARD TO THE PROPOSED AND ACTUAL USE OF GRANT FUNDS. ABE ALSO RECEIVES ANNUAL FINANCIAL REPORTS FROM THE PRINCIPAL GRANTEEES. OPPORTUNITY GRANT RECIPIENTS SUBMIT INTERIM AND FINAL REPORTS ON THE USE OF ABE GRANT FUNDS.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees  
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
Attach to Form 990.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2022**

Open to Public  
Inspection

Name of the organization

**AMERICAN BAR ENDOWMENT**

Employer identification number

**36-2384321**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use   |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence   |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees     |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....

**3** Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee   | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                               |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? .....
- b** Participate in or receive payment from a supplemental nonqualified retirement plan? .....
- c** Participate in or receive payment from an equity-based compensation arrangement? .....
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? .....
- b** Any related organization? .....
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>		<b>X</b>
<b>6b</b>		<b>X</b>
<b>7</b>	<b>X</b>	
<b>8</b>		<b>X</b>
<b>9</b>		

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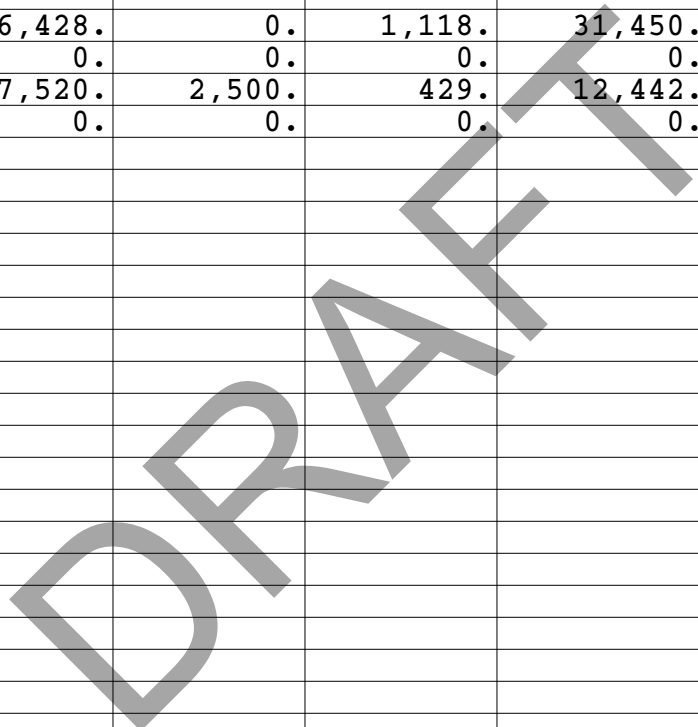
Schedule J (Form 990) 2022

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOANNE MARTIN EXECUTIVE DIRECTOR	(i)	316,428.	0.	1,118.	31,450.	12,286.	361,282.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) GARY KARLOWICZ ACCOUNTING MANAGER	(i)	127,520.	2,500.	429.	12,442.	11,562.	154,453.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 7:

THE ORGANIZATION CAN APPROVE DISCRETIONARY NON-FIXED BONUSES TO THE  
ACCOUNTING MANAGER.

DRAFT

**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
Attach to Form 990 or Form 990-EZ.  
Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2022**

Open to Public  
Inspection

Name of the organization

AMERICAN BAR ENDOWMENT

Employer identification number

36-2384321

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

JUSTICE AND UNIFORMITY OF JUDICIAL DECISION THROUGHOUT THE UNITED STATES.

FORM 990, PART VI, SECTION A, LINE 6:

THE MEMBERS OF THE ABE ARE THE PERSONS WHO CONSTITUTE THE MEMBERS IN GOOD STANDING OF THE AMERICAN BAR ASSOCIATION.

FORM 990, PART VI, SECTION A, LINE 7A:

TWO OF THE TEN MEMBERS OF THE ABE BOARD ARE ELECTED ANNUALLY BY THE MEMBERS OF THE ABE TO HOLD OFFICE FOR A TERM OF FIVE YEARS. TWO OTHER MEMBERS OF THE BOARD ARE APPOINTED BY THE ABA'S BOARD OF GOVERNORS FOR A TERM OF FIVE YEARS. TWO ADDITIONAL MEMBERS OF THE BOARD ARE EX OFFICIO MEMBERS APPOINTED BY THE PRESIDENT OF THE ABA FROM AMONG THE OFFICERS OF THE ABA. THOSE EX OFFICIO MEMBERS ARE APPOINTED FOR THE DURATION OF THEIR TERMS AS OFFICERS OF THE ABA. ALL MEMBERS OF THE BOARD HAVE FULL VOTING RIGHTS.

FORM 990, PART VI, SECTION A, LINE 7B:

AMENDMENTS TO THE BYLAWS OF THE ABE MUST BE APPROVED BY A MAJORITY VOTE OF THE MEMBERS OF THE ABE PRESENT AT ANY ANNUAL MEETING OF THE MEMBERS.

FORM 990, PART VI, SECTION B, LINE 11B:

THE FORM 990 IS SENT TO ALL THE MEMBERS OF THE BOARD OF DIRECTORS FOR REVIEW PRIOR TO FILING WITH THE IRS.

FORM 990, PART VI, SECTION B, LINE 12C:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990) 2022

Name of the organization <b>AMERICAN BAR ENDOWMENT</b>	Employer identification number <b>36-2384321</b>
---	---

ALL ABE BOARD MEMBERS MUST ANNUALLY COMPLETE A CONFLICTS OF INTEREST QUESTIONNAIRE. ALL COMPLETED QUESTIONNAIRES ARE REVIEWED BY THE FULL BOARD OF DIRECTORS. SHOULD A POTENTIAL CONFLICT ARISE, THE BOARD REVIEWS THE INDIVIDUAL INSTANCE FOR MATERIALITY AND THE NEED FOR, OR NATURE OF CURE. PRIOR TO ELECTION TO THE BOARD, CONFLICTS CHECKS ARE CONDUCTED BY THE LAW FIRMS OF THE POTENTIAL BOARD MEMBERS. (ALL MEMBERS OF THE BOARD ARE LAWYERS.)

FORM 990, PART VI, LINE 17, LIST OF STATES RECEIVING COPY OF FORM 990:  
AL, AR, CA, CT, IL, KS, MA, MI, MN, MS, NH, NJ, NY, NC, ND, OK, OR, PA, TN, UT, VA, WI

FORM 990, PART VI, SECTION C, LINE 19:  
ABE'S ANNUAL REPORT, INCLUDING FINANCIALS, IS POSTED ON ITS WEBSITE (WWW.ABENDOWMENT.ORG) AND IS PUBLISHED IN THE DECEMBER-JANUARY ISSUE OF THE ABA JOURNAL. THE 990'S ARE AVAILABLE ON GUIDESTAR AND ARE ON FILE WITH THE VARIOUS STATES WHERE THE ORGANIZATION IS REGISTERED. OTHER CORPORATE DOCUMENTS, SUCH AS BYLAWS AND CONFLICTS POLICY ARE AVAILABLE UPON REQUEST.



**Related Organizations and Unrelated Partnerships**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
Attach to Form 990.

Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Name of the organization

**AMERICAN BAR ENDOWMENT**

Employer identification number

**36-2384321**

**Part I Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

**Part II Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

**Part III Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
AMERICAN LAWYERS INSURANCE PLANS, INC. - 36-3650005, 312 N. CLARK STREET, 14TH FLOOR, CHICAGO, IL 60654	INSURANCE	IL	ABE	C CORP	14,496.	462,972.	100%	X	

**Part V Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note:** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity .....
- b** Gift, grant, or capital contribution to related organization(s) .....
- c** Gift, grant, or capital contribution from related organization(s) .....
- d** Loans or loan guarantees to or for related organization(s) .....
- e** Loans or loan guarantees by related organization(s) .....
- f** Dividends from related organization(s) .....
- g** Sale of assets to related organization(s) .....
- h** Purchase of assets from related organization(s) .....
- i** Exchange of assets with related organization(s) .....
- j** Lease of facilities, equipment, or other assets to related organization(s) .....
- k** Lease of facilities, equipment, or other assets from related organization(s) .....
- l** Performance of services or membership or fundraising solicitations for related organization(s) .....
- m** Performance of services or membership or fundraising solicitations by related organization(s) .....
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....
- o** Sharing of paid employees with related organization(s) .....
- p** Reimbursement paid to related organization(s) for expenses .....
- q** Reimbursement paid by related organization(s) for expenses .....
- r** Other transfer of cash or property to related organization(s) .....
- s** Other transfer of cash or property from related organization(s) .....

	Yes	No
<b>1a</b>		X
<b>1b</b>		X
<b>1c</b>		X
<b>1d</b>		X
<b>1e</b>		X
<b>1f</b>		X
<b>1g</b>		X
<b>1h</b>		X
<b>1i</b>		X
<b>1j</b>		X
<b>1k</b>		X
<b>1l</b>		X
<b>1m</b>		X
<b>1n</b>		X
<b>1o</b>	X	
<b>1p</b>		X
<b>1q</b>	X	
<b>1r</b>		X
<b>1s</b>		X

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				



# Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2022 or other tax year beginning **JUL 1, 2022**, and ending **JUN 30, 2023**

# 2022

Department of the Treasury  
Internal Revenue Service

**Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.**  
**Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).**

Open to Public Inspection for  
501(c)(3) Organizations Only

<p><b>A</b> <input type="checkbox"/> Check box if address changed.</p> <p><b>B</b> Exempt under section  <input checked="" type="checkbox"/> 501(c)(3)  <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)  <input type="checkbox"/> 408A <input type="checkbox"/> 530(a)  <input type="checkbox"/> 529(a) <input type="checkbox"/> 529A</p>	<p>Print or Type</p>	<p>Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)  <b>AMERICAN BAR ENDOWMENT</b></p> <p>Number, street, and room or suite no. If a P.O. box, see instructions.  <b>321 N. CLARK STREET, 1400</b></p> <p>City or town, state or province, country, and ZIP or foreign postal code  <b>CHICAGO, IL 60654-7648</b></p>	<p><b>D</b> Employer identification number <b>36-2384321</b></p> <p><b>E</b> Group exemption number (see instructions)</p> <p><b>F</b> <input type="checkbox"/> Check box if an amended return.</p>
<p><b>C</b> Book value of all assets at end of year ..... <b>186,521,266.</b></p>			
<p><b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust <input type="checkbox"/> State college/university</p>			
<p><b>H</b> Check if filing only to <input type="checkbox"/> Claim credit from Form 8941 <input type="checkbox"/> Claim a refund shown on Form 2439</p>			
<p><b>I</b> Check if a 501(c)(3) organization filing a consolidated return with a 501(c)(2) titleholding corporation ..... <input type="checkbox"/></p>			
<p><b>J</b> Enter the number of attached Schedules A (Form 990-T) ..... <b>2</b></p>			
<p><b>K</b> During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," enter the name and identifying number of the parent corporation.</p>			
<p><b>L</b> The books are in care of <b>DANA HILL</b> Telephone number <b>(312) 988-6400</b></p>			

Part I Total Unrelated Business Taxable Income		
1	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) .....	187,842.
2	Reserved .....	
3	Add lines 1 and 2 .....	187,842.
4	Charitable contributions (see instructions for limitation rules) <b>STMT 1 STMT 2</b> .....	18,684.
5	Total unrelated business taxable income before net operating losses. Subtract line 4 from line 3 .....	169,158.
6	Deduction for net operating loss. See instructions .....	
7	Total of unrelated business taxable income before specific deduction and section 199A deduction. Subtract line 6 from line 5 .....	169,158.
8	Specific deduction (generally \$1,000, but see instructions for exceptions) .....	1,000.
9	<b>Trusts.</b> Section 199A deduction. See instructions .....	
10	<b>Total deductions.</b> Add lines 8 and 9 .....	1,000.
11	<b>Unrelated business taxable income.</b> Subtract line 10 from line 7. If line 10 is greater than line 7, enter zero .....	168,158.

Part II Tax Computation		
1	Organizations taxable as corporations. Multiply Part I, line 11 by 21% (0.21) .....	35,313.
2	Trusts taxable at trust rates. See instructions for tax computation. Income tax on the amount on Part I, line 11 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) .....	
3	Proxy tax. See instructions .....	
4	Other tax amounts. See instructions .....	
5	Alternative minimum tax (trusts only) .....	
6	Tax on noncompliant facility income. See instructions .....	
7	<b>Total.</b> Add lines 3 through 6 to line 1 or 2, whichever applies .....	35,313.

LHA For Paperwork Reduction Act Notice, see instructions.

**Part III Tax and Payments**

<b>1a</b>	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	<b>1a</b>		
<b>b</b>	Other credits (see instructions)	<b>1b</b>		
<b>c</b>	General business credit. Attach Form 3800 (see instructions)	<b>1c</b>		
<b>d</b>	Credit for prior year minimum tax (attach Form 8801 or 8827)	<b>1d</b>		
<b>e</b>	<b>Total credits.</b> Add lines 1a through 1d	<b>1e</b>		
<b>2</b>	Subtract line 1e from Part II, line 7	<b>2</b>		35,313.
<b>3</b>	Other amounts due. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach statement)	<b>3</b>		
<b>4</b>	<b>Total tax.</b> Add lines 2 and 3 (see instructions). <input type="checkbox"/> Check if includes tax previously deferred under section 1294. Enter tax amount here	<b>4</b>		35,313.
<b>5</b>	Current net 965 tax liability paid from Form 965-A, Part II, column (k)	<b>5</b>		0.
<b>6a</b>	Payments: A 2021 overpayment credited to 2022	<b>6a</b>	151.	
<b>b</b>	2022 estimated tax payments. Check if section 643(g) election applies <input type="checkbox"/>	<b>6b</b>	37,209.	
<b>c</b>	Tax deposited with Form 8868	<b>6c</b>		
<b>d</b>	Foreign organizations: Tax paid or withheld at source (see instructions)	<b>6d</b>		
<b>e</b>	Backup withholding (see instructions)	<b>6e</b>		
<b>f</b>	Credit for small employer health insurance premiums (attach Form 8941)	<b>6f</b>		
<b>g</b>	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other Total	<b>6g</b>		
<b>7</b>	<b>Total payments.</b> Add lines 6a through 6g	<b>7</b>		37,360.
<b>8</b>	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>8</b>		
<b>9</b>	<b>Tax due.</b> If line 7 is smaller than the total of lines 4, 5, and 8, enter amount owed	<b>9</b>		
<b>10</b>	<b>Overpayment.</b> If line 7 is larger than the total of lines 4, 5, and 8, enter amount overpaid	<b>10</b>		2,047.
<b>11</b>	Enter the amount of line 10 you want: <b>Credited to 2023 estimated tax</b> 2,047. <b>Refunded</b>	<b>11</b>		0.

**Part IV Statements Regarding Certain Activities and Other Information** (see instructions)

<b>1</b>	At any time during the 2022 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If "Yes," the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country here	Yes	No
<b>2</b>	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see instructions for other forms the organization may have to file.		X
<b>3</b>	Enter the amount of tax-exempt interest received or accrued during the tax year \$		
<b>4</b>	Enter available pre-2018 NOL carryovers here \$ Do not include any post-2017 NOL carryover shown on Schedule A (Form 990-T). Don't reduce the NOL carryover shown here by any deduction reported on Part I, line 6.		
<b>5</b>	Post-2017 NOL carryovers. Enter the Business Activity Code and available post-2017 NOL carryovers. Don't reduce the amounts shown below by any NOL claimed on any Schedule A, Part II, line 17 for the tax year. See instructions.		
	Business Activity Code	Available post-2017 NOL carryover	
		\$	
		\$	
<b>6a</b>	Did the organization change its method of accounting? (see instructions)		X
<b>b</b>	If 6a is "Yes," has the organization described the change on Form 990, 990-EZ, 990-PF, or Form 1128? If "No," explain in Part V		

**Part V Supplemental Information**

Provide the explanation required by Part IV, line 6b. Also, provide any other additional information. See instructions.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: **EXECUTIVE DIRECTOR**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer Use Only**

Print/Type preparer's name: **REBEKUH ELEY** Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_ Check  if self-employed PTIN: **P01247672**

Firm's name: **RSM US LLP** Firm's EIN: **42-0714325**

Firm's address: **30 SOUTH WACKER DR, SUITE 3300 CHICAGO, IL 60606-3392** Phone no.: **312-634-3400**

FORM 990-T

CONTRIBUTIONS

STATEMENT 1

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CHARITABLE CONTRIBUTIONS	N/A	7,710,731.
CHARITABLE CONTRIBUTIONS - PIMCO BRAVO FUND IV ONSHORE FEEDER, LP	N/A	1.
TOTAL TO FORM 990-T, PART I, LINE 4		7,710,732.

DRAFT

## FORM 990-T

## CONTRIBUTIONS SUMMARY

## STATEMENT 2

QUALIFIED CONTRIBUTIONS SUBJECT TO 100% LIMIT  
 QUALIFIED CONTRIBUTIONS SUBJECT TO 25% LIMIT

CARRYOVER OF PRIOR YEARS UNUSED CONTRIBUTIONS

FOR TAX YEAR 2017	
FOR TAX YEAR 2018	7,049,627
FOR TAX YEAR 2019	7,215,682
FOR TAX YEAR 2020	
FOR TAX YEAR 2021	7,712,268

TOTAL CARRYOVER	21,977,577
TOTAL CURRENT YEAR 10% CONTRIBUTIONS	7,710,732

TOTAL CONTRIBUTIONS AVAILABLE	29,688,309
TAXABLE INCOME LIMITATION AS ADJUSTED	18,684

EXCESS CONTRIBUTIONS	29,669,625
EXCESS 100% CONTRIBUTIONS	0
TOTAL EXCESS CONTRIBUTIONS	29,669,625

ALLOWABLE CONTRIBUTIONS DEDUCTION	18,684
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TOTAL CONTRIBUTION DEDUCTION	18,684
------------------------------	--------

DRAFT



**SCHEDULE A  
(Form 990-T)**

**Unrelated Business Taxable Income  
From an Unrelated Trade or Business**

1

OMB No. 1545-0047

2022

Open to Public Inspection for  
501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue Service

Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.  
Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

<b>A</b> Name of the organization <b>AMERICAN BAR ENDOWMENT</b>	<b>B</b> Employer identification number <b>36-2384321</b>
<b>C</b> Unrelated business activity code (see instructions) <b>524113</b>	<b>D</b> Sequence: <b>1</b> of <b>2</b>

**E** Describe the unrelated trade or business **COST SHARING WITH AFFILIATE**

<b>Part I</b> Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales				
<b>b</b> Less returns and allowances	<b>c</b> Balance	<b>1c</b>		
<b>2</b> Cost of goods sold (Part III, line 8)		<b>2</b>		
<b>3</b> Gross profit. Subtract line 2 from line 1c		<b>3</b>		
<b>4 a</b> Capital gain net income (attach Schedule D (Form 1041 or Form 1120)). See instructions		<b>4a</b>		
<b>b</b> Net gain (loss) (Form 4797) (attach Form 4797). See instructions		<b>4b</b>		
<b>c</b> Capital loss deduction for trusts		<b>4c</b>		
<b>5</b> Income (loss) from a partnership or an S corporation (attach statement)		<b>5</b>		
<b>6</b> Rent income (Part IV)		<b>6</b>		
<b>7</b> Unrelated debt-financed income (Part V)		<b>7</b>		
<b>8</b> Interest, annuities, royalties, and rents from a controlled organization (Part VI)		<b>8</b>		
<b>9</b> Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)		<b>9</b>		
<b>10</b> Exploited exempt activity income (Part VIII)		<b>10</b> 4,119.	4,119.	
<b>11</b> Advertising income (Part IX)		<b>11</b>		
<b>12</b> Other income (see instructions; attach statement) <b>STMT 3</b>		<b>12</b> 148,588.		148,588.
<b>13</b> <b>Total.</b> Combine lines 3 through 12		<b>13</b> 152,707.	4,119.	148,588.

**Part II Deductions Not Taken Elsewhere** See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income

<b>1</b> Compensation of officers, directors, and trustees (Part X)				<b>1</b>
<b>2</b> Salaries and wages				<b>2</b>
<b>3</b> Repairs and maintenance				<b>3</b>
<b>4</b> Bad debts				<b>4</b>
<b>5</b> Interest (attach statement). See instructions				<b>5</b>
<b>6</b> Taxes and licenses				<b>6</b> 13,139.
<b>7</b> Depreciation (attach Form 4562). See instructions		<b>7</b>		
<b>8</b> Less depreciation claimed in Part III and elsewhere on return		<b>8a</b>		<b>8b</b>
<b>9</b> Depletion				<b>9</b>
<b>10</b> Contributions to deferred compensation plans				<b>10</b>
<b>11</b> Employee benefit programs				<b>11</b>
<b>12</b> Excess exempt expenses (Part VIII)				<b>12</b>
<b>13</b> Excess readership costs (Part IX)				<b>13</b>
<b>14</b> Other deductions (attach statement)				<b>14</b>
<b>15</b> <b>Total deductions.</b> Add lines 1 through 14				<b>15</b> 13,139.
<b>16</b> Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)				<b>16</b> 135,449.
<b>17</b> Deduction for net operating loss. See instructions				<b>17</b> 0.
<b>18</b> <b>Unrelated business taxable income.</b> Subtract line 17 from line 16				<b>18</b> 135,449.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2022

**Part III Cost of Goods Sold** Enter method of inventory valuation

1 Inventory at beginning of year .....	1	
2 Purchases .....	2	
3 Cost of labor .....	3	
4 Additional section 263A costs (attach statement) .....	4	
5 Other costs (attach statement) .....	5	
6 <b>Total.</b> Add lines 1 through 5 .....	6	
7 Inventory at end of year .....	7	
8 <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and in Part I, line 2 .....	8	
9 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)**

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions. A <input type="checkbox"/> _____ B <input type="checkbox"/> _____ C <input type="checkbox"/> _____ D <input type="checkbox"/> _____					
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	
2 Rent received or accrued					
a From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) .....					
b From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) .....					
c Total rents received or accrued by property. Add lines 2a and 2b, columns A through D .....					
3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A) .....					0.
4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement) .....					
5 <b>Total deductions.</b> Add line 4 columns A through D. Enter here and on Part I, line 6, column (B) .....					0.

**Part V Unrelated Debt-Financed Income** (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions. A <input type="checkbox"/> _____ B <input type="checkbox"/> _____ C <input type="checkbox"/> _____ D <input type="checkbox"/> _____					
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	
2 Gross income from or allocable to debt-financed property .....					
3 Deductions directly connected with or allocable to debt-financed property					
a Straight line depreciation (attach statement) .....					
b Other deductions (attach statement) .....					
c Total deductions (add lines 3a and 3b, columns A through D) .....					
4 Amount of average acquisition debt on or allocable to debt-financed property (attach statement) .....					
5 Average adjusted basis of or allocable to debt-financed property (attach statement) .....					
6 Divide line 4 by line 5 .....	%	%	%	%	
7 Gross income reportable. Multiply line 2 by line 6 .....					
8 <b>Total gross income</b> (add line 7, columns A through D). Enter here and on Part I, line 7, column (A) .....					0.
9 Allocable deductions. Multiply line 3c by line 6 .....					
10 <b>Total allocable deductions.</b> Add line 9, columns A through D. Enter here and on Part I, line 7, column (B) .....					0.
11 <b>Total dividends-received deductions</b> included in line 10 .....					0.

**Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations** (see instructions)

1. Name of controlled organization		2. Employer identification number	Exempt Controlled Organizations			6. Deductions directly connected with income in column 5
			3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations						
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10		
(1)						
(2)						
(3)						
(4)						
			Add columns 5 and 10. Enter here and on Part I, line 8, column (A)		Add columns 6 and 11. Enter here and on Part I, line 8, column (B)	
<b>Totals</b>			0.		0.	

**Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add cols 3 and 4)
(1)				
(2)				
(3)				
(4)				
		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)
<b>Totals</b>		0.		0.

**Part VIII Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1	Description of exploited activity:		
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A)	2	4,119.
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B)	3	4,119.
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7	4	
5	Gross income from activity that is not unrelated business income	5	0.
6	Expenses attributable to income entered on line 5	6	0.
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12	7	0.

Part IX Advertising Income

1 Name(s) of periodical(s). Check box if reporting two or more periodicals on a consolidated basis.

- A B C D checkboxes

Enter amounts for each periodical listed above in the corresponding column.

Table with 4 columns (A, B, C, D) and 2 rows (Gross advertising income, Add columns A through D)

Table with 4 columns (A, B, C, D) and 2 rows (Direct advertising costs, Add columns A through D)

4 Advertising gain (loss). Subtract line 3 from line 2. For any column in line 4 showing a gain, complete lines 5 through 8. For any column in line 4 showing a loss or zero, do not complete lines 5 through 7, and enter zero on line 8

- 5 Readership costs
6 Circulation income
7 Excess readership costs. If line 6 is less than line 5, subtract line 6 from line 5. If line 5 is less than line 6, enter zero
8 Excess readership costs allowed as a deduction. For each column showing a gain on line 4, enter the lesser of line 4 or line 7

Table with 4 columns (A, B, C, D) and 4 rows (5, 6, 7, 8)

a Add line 8, columns A through D. Enter the greater of the line 8a, columns total or zero here and on Part II, line 13

Part X Compensation of Officers, Directors, and Trustees (see instructions)

Table with 4 columns: 1. Name, 2. Title, 3. Percentage of time devoted to business, 4. Compensation attributable to unrelated business

Part XI Supplemental Information (see instructions)

Blank lines for supplemental information

FORM 990-T (A)

OTHER INCOME

STATEMENT 3

DESCRIPTION

AMOUNT

SEE PLR STATEMENT

148,588.

TOTAL TO SCHEDULE A, PART I, LINE 12

148,588.

FORM 990-T (A) PART VIII - EXPENSES DIRECTLY CONNECTED WITH  
PRODUCTION OF UNRELATED BUSINESS INCOME

STATEMENT 4

DESCRIPTION

ACTIVITY  
NUMBER

AMOUNT

TOTAL

- SUBTOTAL - 1

4,119.

4,119.

TOTAL OF FORM 990-T, SCHEDULE A, PART VIII, COLUMN 3

4,119.

DRAFT

**SCHEDULE A  
(Form 990-T)**

Department of the Treasury  
Internal Revenue Service

**Unrelated Business Taxable Income  
From an Unrelated Trade or Business**

Go to [www.irs.gov/Form990T](http://www.irs.gov/Form990T) for instructions and the latest information.  
Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

2  
OMB No. 1545-0047

**2022**

Open to Public Inspection for  
501(c)(3) Organizations Only

<b>A</b> Name of the organization <b>AMERICAN BAR ENDOWMENT</b>	<b>B</b> Employer identification number <b>36-2384321</b>
<b>C</b> Unrelated business activity code (see instructions) <b>901101</b>	<b>D</b> Sequence: <b>2</b> of <b>2</b>

**E** Describe the unrelated trade or business **PARTNERSHIP INVESTMENTS**

<b>Part I</b> Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
<b>1 a</b> Gross receipts or sales				
<b>b</b> Less returns and allowances	<b>c</b> Balance			
<b>2</b> Cost of goods sold (Part III, line 8)	<b>1c</b>			
<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>2</b>			
<b>4 a</b> Capital gain net income (attach Schedule D (Form 1041 or Form 1120)). See instructions	<b>3</b>			
<b>b</b> Net gain (loss) (Form 4797) (attach Form 4797). See instructions	<b>4a</b>			
<b>c</b> Capital loss deduction for trusts	<b>4b</b>			
<b>5</b> Income (loss) from a partnership or an S corporation (attach statement) <b>STATEMENT 5</b>	<b>4c</b>			
<b>6</b> Rent income (Part IV)	<b>5</b>	52,393.		52,393.
<b>7</b> Unrelated debt-financed income (Part V)	<b>6</b>			
<b>8</b> Interest, annuities, royalties, and rents from a controlled organization (Part VI)	<b>7</b>			
<b>9</b> Investment income of section 501(c)(7), (9), or (17) organizations (Part VII)	<b>8</b>			
<b>10</b> Exploited exempt activity income (Part VIII)	<b>9</b>			
<b>11</b> Advertising income (Part IX)	<b>10</b>			
<b>12</b> Other income (see instructions; attach statement)	<b>11</b>			
<b>13 Total.</b> Combine lines 3 through 12	<b>12</b>	52,393.		52,393.
<b>13</b>	<b>13</b>	52,393.		52,393.

**Part II Deductions Not Taken Elsewhere** See instructions for limitations on deductions. Deductions must be directly connected with the unrelated business income

<b>1</b> Compensation of officers, directors, and trustees (Part X)				
<b>2</b> Salaries and wages				
<b>3</b> Repairs and maintenance				
<b>4</b> Bad debts				
<b>5</b> Interest (attach statement). See instructions				
<b>6</b> Taxes and licenses				
<b>7</b> Depreciation (attach Form 4562). See instructions		7		
<b>8</b> Less depreciation claimed in Part III and elsewhere on return		8a		
<b>9</b> Depletion				
<b>10</b> Contributions to deferred compensation plans				
<b>11</b> Employee benefit programs				
<b>12</b> Excess exempt expenses (Part VIII)				
<b>13</b> Excess readership costs (Part IX)				
<b>14</b> Other deductions (attach statement)				
<b>15 Total deductions.</b> Add lines 1 through 14				0.
<b>16</b> Unrelated business income before net operating loss deduction. Subtract line 15 from Part I, line 13, column (C)				52,393.
<b>17</b> Deduction for net operating loss. See instructions				0.
<b>18 Unrelated business taxable income.</b> Subtract line 17 from line 16				52,393.
<b>18</b>				52,393.

LHA For Paperwork Reduction Act Notice, see instructions.

Schedule A (Form 990-T) 2022

**Part III Cost of Goods Sold** Enter method of inventory valuation

1 Inventory at beginning of year .....	1	
2 Purchases .....	2	
3 Cost of labor .....	3	
4 Additional section 263A costs (attach statement) .....	4	
5 Other costs (attach statement) .....	5	
6 <b>Total.</b> Add lines 1 through 5 .....	6	
7 Inventory at end of year .....	7	
8 <b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and in Part I, line 2 .....	8	
9 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? ..... <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part IV Rent Income (From Real Property and Personal Property Leased with Real Property)**

1 Description of property (property street address, city, state, ZIP code). Check if a dual-use. See instructions.				
A <input type="checkbox"/>				
B <input type="checkbox"/>				
C <input type="checkbox"/>				
D <input type="checkbox"/>				
	A	B	C	D
2 Rent received or accrued				
a From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) .....				
b From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) .....				
c Total rents received or accrued by property. Add lines 2a and 2b, columns A through D .....				
3 Total rents received or accrued. Add line 2c columns A through D. Enter here and on Part I, line 6, column (A)				0.
4 Deductions directly connected with the income in lines 2(a) and 2(b) (attach statement) .....				
5 <b>Total deductions.</b> Add line 4 columns A through D. Enter here and on Part I, line 6, column (B) .....				0.

**Part V Unrelated Debt-Financed Income** (see instructions)

1 Description of debt-financed property (street address, city, state, ZIP code). Check if a dual-use. See instructions.				
A <input type="checkbox"/>				
B <input type="checkbox"/>				
C <input type="checkbox"/>				
D <input type="checkbox"/>				
	A	B	C	D
2 Gross income from or allocable to debt-financed property .....				
3 Deductions directly connected with or allocable to debt-financed property				
a Straight line depreciation (attach statement) .....				
b Other deductions (attach statement) .....				
c Total deductions (add lines 3a and 3b, columns A through D) .....				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach statement) .....				
5 Average adjusted basis of or allocable to debt-financed property (attach statement) .....				
6 Divide line 4 by line 5 .....	%	%	%	%
7 Gross income reportable. Multiply line 2 by line 6 .....				
8 <b>Total gross income</b> (add line 7, columns A through D). Enter here and on Part I, line 7, column (A) .....				0.
9 Allocable deductions. Multiply line 3c by line 6				
10 <b>Total allocable deductions.</b> Add line 9, columns A through D. Enter here and on Part I, line 7, column (B) .....				0.
11 <b>Total dividends-received deductions</b> included in line 10 .....				0.

**Part VI Interest, Annuities, Royalties, and Rents from Controlled Organizations** (see instructions)

		Exempt Controlled Organizations			
1. Name of controlled organization	2. Employer identification number	3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10. Enter here and on Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on Part I, line 8, column (B)	
<b>Totals</b>			0.	0.	

**Part VII Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach statement)	4. Set-asides (attach statement)	5. Total deductions and set-asides (add cols 3 and 4)
(1)				
(2)				
(3)				
(4)				
		Add amounts in column 2. Enter here and on Part I, line 9, column (A)		Add amounts in column 5. Enter here and on Part I, line 9, column (B)
<b>Totals</b>		0.		0.

**Part VIII Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1	Description of exploited activity:	
2	Gross unrelated business income from trade or business. Enter here and on Part I, line 10, column (A)	2
3	Expenses directly connected with production of unrelated business income. Enter here and on Part I, line 10, column (B)	3
4	Net income (loss) from unrelated trade or business. Subtract line 3 from line 2. If a gain, complete lines 5 through 7	4
5	Gross income from activity that is not unrelated business income	5
6	Expenses attributable to income entered on line 5	6
7	Excess exempt expenses. Subtract line 5 from line 6, but do not enter more than the amount on line 4. Enter here and on Part II, line 12	7





FORM 990-T (A)

INCOME (LOSS) FROM PARTNERSHIPS

STATEMENT 5

DESCRIPTION	NET INCOME OR (LOSS)
PIMCO BRAVO FUND IV ONSHORE FEEDER, LP - ORDINARY BUSINESS INCOME (LOSS)	46,816.
PIMCO BRAVO FUND IV ONSHORE FEEDER, LP - NET RENTAL REAL ESTATE INCOME	8,789.
PIMCO BRAVO FUND IV ONSHORE FEEDER, LP - OTHER INCOME (LOSS)	-3,212.
TOTAL INCLUDED ON SCHEDULE A, PART I, LINE 5	52,393.

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Form **8865**

**Return of U.S. Persons With Respect to Certain Foreign Partnerships**

OMB No. 1545-1668

**2022**

Department of the Treasury  
Internal Revenue Service

Attach to your tax return.  
Go to [www.irs.gov/Form8865](http://www.irs.gov/Form8865) for instructions and the latest information.

Attachment Sequence No. **865**

Information furnished for the foreign partnership's tax year beginning **JAN 1**, 2022, and ending **DEC 31**, 2022

Name of person filing this return

Filer's identification number  
**36-2384321**

**AMERICAN BAR ENDOWMENT**

Filer's address (if you aren't filing this form with your tax return)

A Category of filer (see Categories of Filers in the instructions and check applicable box(es)):

1  2  3  4

B Filer's tax year beginning **JUL 1**, 2022, and ending **JUN 30**, 2023

C Filer's share of liabilities: Nonrecourse \$ Qualified nonrecourse financing \$ Other \$

D If filer is a member of a consolidated group but not the parent, enter the following information about the parent:

Name Address EIN

E Check if any excepted specified foreign financial assets are reported on this form. See instructions

F Information about certain other partners (see instructions)

(1) Name	(2) Address	(3) Identification number	(4) Check applicable box(es)		
			Category 1	Category 2	Constructive owner

G1 Name and address of foreign partnership  
**LEVINE LEICHTMAN CAPITAL PARTNERS VI-A  
AIV LP  
PO BOX 309, UGLAND HOUSE  
GRAND CAYMAN CAYMAN ISLANDS KY1-1104**

2(a) EIN (if any)  
**98-1463144**  
2(b) Reference ID number  
3 Country under whose laws organized  
**CAYMAN ISLANDS**

4 Date of organization 5 Principal place of business 6 Principal business activity code number 7 Principal business activity 8a Functional currency 8b Exchange rate (see instructions)  
**12/13/2018 CAYMAN ISLANDS 525990 FINANCIAL INVST USD 1.000000**

H Provide the following information for the foreign partnership's tax year:

1 Name, address, and identification number of agent (if any) in the United States  
2 Check if the foreign partnership must file:  
 Form 1042  Form 8804  Form 1065  
Service Center where Form 1065 is filed:  
**E-FILE**

3 Name and address of foreign partnership's agent in country of organization, if any  
4 Name and address of person(s) with custody of the books and records of the foreign partnership, and the location of such books and records, if different

5 During the tax year, did the foreign partnership pay or accrue any interest or royalty for which the deduction is not allowed under section 267A? See instructions  Yes  No  
If "Yes," enter the total amount of the disallowed deductions \$

6 Is the partnership a section 721(c) partnership, as defined in Regulations section 1.721(c)-1(b)(14)?  Yes  No

7 Were any special allocations made by the foreign partnership?  Yes  No

8 Enter the number of Forms 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities (FDEs) and Foreign Branches (FBs), attached to this return. See instructions

9 How is this partnership classified under the law of the country in which it's organized? **PARTNERSHIP**

10 a Does the filer have an interest in the foreign partnership, or an interest indirectly through the foreign partnership, that's a separate unit under Regulations section 1.1503(d)-1(b)(4) or part of a combined separate unit under Regulations section 1.1503(d)-1(b)(4)(ii)? If "No," skip question 10b  Yes  No

b If "Yes," does the separate unit or combined separate unit have a dual consolidated loss, as defined in Regulations section 1.1503(d)-1(b)(5)(ii)?  Yes  No

11 Does this partnership meet both of the following requirements?  
1. The partnership's total receipts for the tax year were less than \$250,000.  
2. The value of the partnership's total assets at the end of the tax year was less than \$1 million.  
If "Yes," don't complete Schedules L, M-1, and M-2.  Yes  No

LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **8865** (2022)

- 12 a** Is the filer of this Form 8865 claiming a foreign-derived intangible income (FDII) deduction (under section 250) with respect to any transaction with the foreign partnership? If "Yes," complete lines 12b, 12c, and 12d. See instructions  Yes  No
- b** Enter the amount of gross receipts derived from all sales of general property to the foreign partnership that the filer included in its computation of foreign-derived deduction eligible income (FDDEI) \_\_\_\_\_
- c** Enter the amount of gross receipts derived from all sales of intangible property to the foreign partnership that the filer included in its computation of FDDEI \_\_\_\_\_
- d** Enter the amount of gross receipts derived from all services provided to the foreign partnership that the filer included in its computation of FDDEI \_\_\_\_\_
- 13** Enter the number of foreign partners subject to section 864(c)(8) as a result of transferring all or a portion of an interest in the partnership or of receiving a distribution from the partnership \_\_\_\_\_
- 14** At any time during the tax year were any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?  Yes  No

Sign Here Only if You're Filing This Form Separately and Not With Your Tax Return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member \_\_\_\_\_ Date \_\_\_\_\_

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name			Firm's EIN	
Firm's address			Phone no.	

**Schedule A Constructive Ownership of Partnership Interest.** Check the boxes that apply to the filer. If you check box **b**, enter the name, address, and U.S. taxpayer identification number (if any) of the person(s) whose interest you constructively own. See instructions.

**a**  Owns a direct interest **b**  Owns a constructive interest

Name	Address	Identification number (if any)	Check if foreign person	Check if direct partner

**Schedule A-1 Certain Partners of Foreign Partnership** (see instructions)

Name	Address	Identification number (if any)	Check if foreign person

**Schedule A-2 Foreign Partners of Section 721(c) Partnership** (see instructions)

Name of foreign partner	Address	Country of organization (if any)	U.S. taxpayer identification number (if any)	Check if related to U.S. transferor	Percentage interest	
					Capital	Profits
				<input type="checkbox"/>	%	%
				<input type="checkbox"/>	%	%

Does the partnership have any other foreign person as a direct partner?  Yes  No

**Schedule A-3 Affiliation Schedule.** List all partnerships (foreign or domestic) in which the foreign partnership owns a direct interest or indirectly owns a 10% interest.

STMT	Name	Address	EIN (if any)	Total ordinary income or loss	Check if foreign partnership
6					

**SCHEDULE O  
(Form 8865)**

(Rev. October 2021)  
Department of the Treasury  
Internal Revenue Service

**Transfer of Property to a Foreign Partnership  
(Under Section 6038B)**

▶ **Attach to Form 8865. See the Instructions for Form 8865.**  
▶ **Go to [www.irs.gov/Form8865](http://www.irs.gov/Form8865) for instructions and the latest information.**

OMB No. 1545-1668

Name of transferor **AMERICAN BAR ENDOWMENT** Filer's identifying number **36-2384321**

Name of foreign partnership **LEVINE LEICHTMAN CAPITAL PARTNERS  
AIV LP** EIN (if any) **98-1463144** Reference ID number (see instr)

- 1 a** Is the partnership a section 721(c) partnership (as defined in Regulations section 1.721(c)-1(b)(14))? See instructions .....  Yes  No  
**b** If "Yes," was the gain deferral method applied to avoid the recognition of gain upon the contribution of property? .....  Yes  No  
**2** Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)? .....  Yes  No

**Part I Transfers Reportable Under Section 6038B**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Recovery period	(f) Section 704(c) allocation method	(g) Gain recognized on transfer
Cash	12/31/22		261,528.				
Stock, notes receivable and payable, and other securities							
Inventory							
Tangible property used in trade or business							
Intangible property described in section 197(f)(9)							
Intangible property, other than intangible property described in section 197(f)(9)							
Other property							
<b>Totals</b>			<b>261,528.</b>				

**3** Enter the transferor's percentage interest in the partnership: (a) Before the transfer **.6500** % (b) After the transfer **.6500** %

**Supplemental Information Required To Be Reported** (see instructions):

**Part II Dispositions Reportable Under Section 6038B**

(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

**Part III** Is any transfer reported on this schedule subject to gain recognition under section 904(f)(3) or section 904(f)(5)(F)? .....  Yes  No

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Schedule O (Form 8865) 10-2021

FORM 8865

AFFILIATION SCHEDULE

STATEMENT 6

NAME	ADDRESS	IDENTIFYING NUMBER	TOTAL ORDINARY INCOME OR (LOSS)	CK IF FOR-EIGN P'SH
LBR US EQUITY HOLDCO LLC	PO BOX 309, UGLAND HOUSE GRAND CAYMAN CAYMAN ISLAND	82-3740187		X
LBR JERSEY TOPCO LIMITED	87 LANCASTER ROAD LONDON UNITED KINGDOM W11	98-1442451		X
LBR US EQUITYCO, LLC	PO BOX 309, UGLAND HOUSE GRAND CAYMAN CAYMAN ISLAND	82-3755616		X
BIGHAND US DEBT HOLDCO, LP	PO BOX 309, UGLAND HOUSE GRAND CAYMAN CAYMAN ISLAND	APPLIED FOR		X
BIGHAND US EQUITY HOLDCO	PO BOX 309, UGLAND HOUSE GRAND CAYMAN CAYMAN ISLAND	98-1567939		X
BIGHAND UK TOPCO LIMITED	3RD FL 11-12 ST. JAMES' SQ LONDON UNITED KINGDOM SW1Y	98-1561104		X

DRAFT

**Return by a U.S. Transferor of Property  
 to a Foreign Corporation**

▶ Go to [www.irs.gov/Form926](http://www.irs.gov/Form926) for instructions and the latest information.  
 ▶ Attach to your income tax return for the year of the transfer or distribution.

**Part I U.S. Transferor Information** (see instructions)

Name of transferor <b>AMERICAN BAR ENDOWMENT</b>	Identifying number (see instructions)
---	---------------------------------------

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation?  Yes  No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations?  Yes  No
- b** Did the transferor remain in existence after the transfer?  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation?  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made?  Yes  No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
<b>GROSVENOR INSTITUTIONAL PARTNERS, LP</b>	<b>36-4336976</b>

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets?  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership?  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market?  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

<b>4</b> Name of transferee (foreign corporation) <b>GROSVENOR INSITUTIONAL PARTNERS MASTER FUND, LTD.</b>	<b>5a</b> Identifying number, if any
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<b>6</b> Address (including country) <b>P.O. BOX 309, UGLAND HOUSE        GRAND CAYMAN KY1-1104 CAYMAN ISLANDS</b>	<b>5b</b> Reference ID number <b>GIPMF-001</b>
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**7** Country code of country of incorporation or organization  
**CJ**

**8** Foreign law characterization (see instructions)  
**CORPORATION**

- 9** Is the transferee foreign corporation a controlled foreign corporation?  Yes  No

**Part III Information Regarding Transfer of Property** (see instructions)

**Section A - Cash**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	08/01/2022		159,350.		

**10** Was cash the only property transferred?  **Yes**  **No**  
 If "Yes," skip the remainder of Part III and go to Part IV.

**Section B - Other Property (other than intangible property subject to section 367(d))**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
<b>Totals</b>					

**11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed?  **Yes**  **No**

**12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation?  **Yes**  **No**  
 If "Yes," go to line 12b.

**b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.

**c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.

**d** Enter the transferred loss amount included in gross income as required under section 91 ► \$ \_\_\_\_\_

**13** Did the transferor transfer property described in section 367(d)(4)?  **Yes**  **No**  
 If "No," skip Section C and questions 14a through 15.

**Section C - Intangible Property Subject to Section 367(d)**

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
<b>Totals</b>						



- 14 a** Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years?  Yes  No
- b** At the time of the transfer, did any of the transferred intangible property have an indefinite useful life?  Yes  No
- c** Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property?  Yes  No
- d** If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ \_\_\_\_\_
- 15** Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)?  Yes  No

**Supplemental Part III Information Required To Be Reported** (see instructions)  
**SEE ATTACHED STATEMENTS**

**Part IV Additional Information Regarding Transfer of Property** (see instructions)

- 16** Enter the transferor's interest in the transferee foreign corporation before and after the transfer.  
**(a)** Before .237 % **(b)** After .248 %
- 17** Type of nonrecognition transaction (see instructions) ▶ **IRC SECTION 351**
- 18** Indicate whether any transfer reported in Part III is subject to any of the following.
  - a** Gain recognition under section 904(f)(3)  Yes  No
  - b** Gain recognition under section 904(f)(5)(F)  Yes  No
  - c** Recapture under section 1503(d)  Yes  No
  - d** Exchange gain under section 987  Yes  No
- 19** Did this transfer result from a change in entity classification?  Yes  No
- 20 a** Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions)  Yes  No  
 If "Yes," complete lines 20b and 20c.
- b** Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ \_\_\_\_\_
- c** Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)?  Yes  No
- 21** Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions  Yes  No

**Return by a U.S. Transferor of Property  
 to a Foreign Corporation**

▶ Go to [www.irs.gov/Form926](http://www.irs.gov/Form926) for instructions and the latest information.  
 ▶ Attach to your income tax return for the year of the transfer or distribution.

**Part I U.S. Transferor Information** (see instructions)

Name of transferor <b>AMERICAN BAR ENDOWMENT</b>	Identifying number (see instructions)
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- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation?  Yes  No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations?  Yes  No
- b** Did the transferor remain in existence after the transfer?  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation?  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made?  Yes  No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
<b>PIMCO BRAVO FUND IV ONSHORE FEEDER, LP</b>	<b>85-3529209</b>

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets?  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership?  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market?  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

Name of transferee (foreign corporation) <b>BRAVO IV HOLDING FUND ONSHORE I, LP</b>	5a Identifying number, if any <b>98-1564462</b>
--	--

6 Address (including country) <b>27 HOSPITAL ROAD    GEORGE TOWN KY1-9008 CAYMAN ISLANDS</b>	5b Reference ID number
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7 Country code of country of incorporation or organization  
**CJ**

8 Foreign law characterization (see instructions)  
**CORPORATION**

- 9** Is the transferee foreign corporation a controlled foreign corporation?  Yes  No

**Part III Information Regarding Transfer of Property** (see instructions)

**Section A - Cash**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	12/31/2022		1,282,405.		

**10** Was cash the only property transferred?  **Yes**  **No**  
 If "Yes," skip the remainder of Part III and go to Part IV.

**Section B - Other Property (other than intangible property subject to section 367(d))**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
<b>Totals</b>					

- 11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed?  **Yes**  **No**
- 12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation?  **Yes**  **No**  
 If "Yes," go to line 12b.
- b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.
- c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.
- d** Enter the transferred loss amount included in gross income as required under section 91 ► \$ \_\_\_\_\_
- 13** Did the transferor transfer property described in section 367(d)(4)?  **Yes**  **No**  
 If "No," skip Section C and questions 14a through 15.

**Section C - Intangible Property Subject to Section 367(d)**

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
<b>Totals</b>						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years?  Yes  No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life?  Yes  No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property?  Yes  No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ \_\_\_\_\_
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)?  Yes  No

**Supplemental Part III Information Required To Be Reported** (see instructions)  
**SEE ATTACHED STATEMENTS**

**Part IV Additional Information Regarding Transfer of Property** (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.  
 (a) Before 1.400 % (b) After 1.160 %
- 17 Type of nonrecognition transaction (see instructions) ▶ **IRC SECTION 351**
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
  - a Gain recognition under section 904(f)(3)  Yes  No
  - b Gain recognition under section 904(f)(5)(F)  Yes  No
  - c Recapture under section 1503(d)  Yes  No
  - d Exchange gain under section 987  Yes  No
- 19 Did this transfer result from a change in entity classification?  Yes  No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions)  Yes  No  
 If "Yes," complete lines 20b and 20c.
- b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ \_\_\_\_\_
- c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)?  Yes  No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions  Yes  No

**Return by a U.S. Transferor of Property  
 to a Foreign Corporation**

▶ Go to [www.irs.gov/Form926](http://www.irs.gov/Form926) for instructions and the latest information.  
 ▶ Attach to your income tax return for the year of the transfer or distribution.

**Part I U.S. Transferor Information** (see instructions)

Name of transferor <b>AMERICAN BAR ENDOWMENT</b>	Identifying number (see instructions)
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- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation?  Yes  No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations?  Yes  No
- b** Did the transferor remain in existence after the transfer?  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation?  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made?  Yes  No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
<b>PIMCO BRAVO FUND ONSHORE FEEDER II, LP,</b>	<b>80-0875546</b>

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets?  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership?  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market?  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

<b>4</b> Name of transferee (foreign corporation) <b>PIMCO BRAVO II HOLDING FUND I, LP</b>	<b>5a</b> Identifying number, if any <b>98-1095296</b>
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<b>6</b> Address (including country) <b>190 ELGIN AVENUE        GEORGE TOWN KY1-9005 CAYMAN ISLANDS</b>	<b>5b</b> Reference ID number
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**7** Country code of country of incorporation or organization  
**CJ**

**8** Foreign law characterization (see instructions)  
**EXEMPTED LIMITED PARTNERSHIP**

- 9** Is the transferee foreign corporation a controlled foreign corporation?  Yes  No

**Part III Information Regarding Transfer of Property** (see instructions)

**Section A - Cash**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	12/31/2022		389,527.		

**10** Was cash the only property transferred?  **Yes**  **No**  
 If "Yes," skip the remainder of Part III and go to Part IV.

**Section B - Other Property (other than intangible property subject to section 367(d))**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
<b>Totals</b>					

- 11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed?  **Yes**  **No**
- 12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation?  **Yes**  **No**  
 If "Yes," go to line 12b.
- b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.
- c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.
- d** Enter the transferred loss amount included in gross income as required under section 91 ► \$ \_\_\_\_\_
- 13** Did the transferor transfer property described in section 367(d)(4)?  **Yes**  **No**  
 If "No," skip Section C and questions 14a through 15.

**Section C - Intangible Property Subject to Section 367(d)**

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
<b>Totals</b>						

- 14 a** Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years?  Yes  No
- b** At the time of the transfer, did any of the transferred intangible property have an indefinite useful life?  Yes  No
- c** Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property?  Yes  No
- d** If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ \_\_\_\_\_
- 15** Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)?  Yes  No

**Supplemental Part III Information Required To Be Reported** (see instructions)  
**SEE ATTACHED STATEMENTS**

**Part IV Additional Information Regarding Transfer of Property** (see instructions)

- 16** Enter the transferor's interest in the transferee foreign corporation before and after the transfer.  
**(a)** Before .304 % **(b)** After .304 %
- 17** Type of nonrecognition transaction (see instructions) ▶ **IRC SECTION 351**
- 18** Indicate whether any transfer reported in Part III is subject to any of the following.
  - a** Gain recognition under section 904(f)(3)  Yes  No
  - b** Gain recognition under section 904(f)(5)(F)  Yes  No
  - c** Recapture under section 1503(d)  Yes  No
  - d** Exchange gain under section 987  Yes  No
- 19** Did this transfer result from a change in entity classification?  Yes  No
- 20 a** Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions)  Yes  No  
 If "Yes," complete lines 20b and 20c.
- b** Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ \_\_\_\_\_
- c** Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)?  Yes  No
- 21** Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions  Yes  No

**Return by a U.S. Transferor of Property  
 to a Foreign Corporation**

▶ Go to [www.irs.gov/Form926](http://www.irs.gov/Form926) for instructions and the latest information.  
 ▶ Attach to your income tax return for the year of the transfer or distribution.

**Part I U.S. Transferor Information** (see instructions)

Name of transferor <b>AMERICAN BAR ENDOWMENT</b>	Identifying number (see instructions)
---	---------------------------------------

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation?  Yes  No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations?  Yes  No
- b** Did the transferor remain in existence after the transfer?  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation?  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made?  Yes  No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
<b>PIMCO BRAVO FUND III ONSHORE FEEDER TE, L.P</b>	<b>32-0494577</b>

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets?  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership?  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market?  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

Name of transferee (foreign corporation) <b>BRAVO III HOLDING FUND ONSHORE TE I, L.P.</b>	5a Identifying number, if any <b>98-1328353</b>
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6 Address (including country) <b>190 ELGIN AVENUE    GRAND CAYMAN KY1-9005 CAYMAN ISLANDS</b>	5b Reference ID number
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7 Country code of country of incorporation or organization  
**CJ**

8 Foreign law characterization (see instructions)  
**EXEMPTED LIMITED PARTNERSHIP**

- 9** Is the transferee foreign corporation a controlled foreign corporation?  Yes  No



**Part III Information Regarding Transfer of Property** (see instructions)

**Section A - Cash**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	12/31/2022		301,881.		

**10** Was cash the only property transferred?  **Yes**  **No**  
 If "Yes," skip the remainder of Part III and go to Part IV.

**Section B - Other Property (other than intangible property subject to section 367(d))**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
Totals					

- 11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed?  **Yes**  **No**
- 12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation?  **Yes**  **No**  
 If "Yes," go to line 12b.
- b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.
- c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.
- d** Enter the transferred loss amount included in gross income as required under section 91 ► \$ \_\_\_\_\_
- 13** Did the transferor transfer property described in section 367(d)(4)?  **Yes**  **No**  
 If "No," skip Section C and questions 14a through 15.

**Section C - Intangible Property Subject to Section 367(d)**

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
Totals						

- 14 a** Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years?  Yes  No
- b** At the time of the transfer, did any of the transferred intangible property have an indefinite useful life?  Yes  No
- c** Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property?  Yes  No
- d** If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ \_\_\_\_\_
- 15** Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)?  Yes  No

**Supplemental Part III Information Required To Be Reported** (see instructions)  
**SEE ATTACHED STATEMENTS**

**Part IV Additional Information Regarding Transfer of Property** (see instructions)

- 16** Enter the transferor's interest in the transferee foreign corporation before and after the transfer.  
**(a)** Before .308 % **(b)** After .308 %
- 17** Type of nonrecognition transaction (see instructions) ▶ **IRC SECTION 351**
- 18** Indicate whether any transfer reported in Part III is subject to any of the following.
  - a** Gain recognition under section 904(f)(3)  Yes  No
  - b** Gain recognition under section 904(f)(5)(F)  Yes  No
  - c** Recapture under section 1503(d)  Yes  No
  - d** Exchange gain under section 987  Yes  No
- 19** Did this transfer result from a change in entity classification?  Yes  No
- 20 a** Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions)  Yes  No  
 If "Yes," complete lines 20b and 20c.
- b** Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ \_\_\_\_\_
- c** Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)?  Yes  No
- 21** Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions  Yes  No

**Return by a U.S. Transferor of Property  
 to a Foreign Corporation**

▶ Go to [www.irs.gov/Form926](http://www.irs.gov/Form926) for instructions and the latest information.  
 ▶ Attach to your income tax return for the year of the transfer or distribution.

**Part I U.S. Transferor Information** (see instructions)

Name of transferor <b>AMERICAN BAR ENDOWMENT</b>	Identifying number (see instructions)
---	---------------------------------------

- 1** Is the transferee a specified 10%-owned foreign corporation that is not a controlled foreign corporation?  Yes  No
- 2** If the transferor was a corporation, complete questions 2a through 2d.
- a** If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by five or fewer domestic corporations?  Yes  No
- b** Did the transferor remain in existence after the transfer?  Yes  No
- If not, list the controlling shareholder(s) and their identifying number(s).

Controlling shareholder	Identifying number

- c** If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation?  Yes  No
- If not, list the name and employer identification number (EIN) of the parent corporation.

Name of parent corporation	EIN of parent corporation

- d** Have basis adjustments under section 367(a)(4) been made?  Yes  No

- 3** If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 3a through 3d.
- a** List the name and EIN of the transferor's partnership.

Name of partnership	EIN of partnership
<b>LEVINE LEICHTMAN CAPITAL PARTNERS VI-A AIV LP</b>	<b>98-1463144</b>

- b** Did the partner pick up its pro rata share of gain on the transfer of partnership assets?  Yes  No
- c** Is the partner disposing of its **entire** interest in the partnership?  Yes  No
- d** Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market?  Yes  No

**Part II Transferee Foreign Corporation Information** (see instructions)

<b>4</b> Name of transferee (foreign corporation) <b>BIGHAND UK HOLDCO LIMITED</b>	<b>5a</b> Identifying number, if any
---	--------------------------------------

<b>6</b> Address (including country) <b>SUITE 1, 3RD FLOOR, 11-12 ST JAMES'S SQUARE LONDON SW1Y 4LB UNITED KINGDOM</b>	<b>5b</b> Reference ID number <b>BUKHL-002</b>
---	---

**7** Country code of country of incorporation or organization  
**UK**

**8** Foreign law characterization (see instructions)  
**CORPORATION**

- 9** Is the transferee foreign corporation a controlled foreign corporation?  Yes  No

**Part III Information Regarding Transfer of Property** (see instructions)

**Section A - Cash**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	02/23/2022		261,528.		

**10** Was cash the only property transferred?  **Yes**  **No**  
 If "Yes," skip the remainder of Part III and go to Part IV.

**Section B - Other Property (other than intangible property subject to section 367(d))**

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Stock and securities					
Inventory					
Other property (not listed under another category)					
Property with built-in loss					
<b>Totals</b>					

- 11** Did the transferor transfer stock or securities subject to section 367(a) with respect to which a gain recognition agreement was filed?  **Yes**  **No**
- 12 a** Were any assets of a foreign branch (including a branch that is a foreign disregarded entity) transferred to a foreign corporation?  **Yes**  **No**  
 If "Yes," go to line 12b.
- b** Was the transferor a domestic corporation that transferred substantially all of the assets of a foreign branch (including a branch that is a foreign disregarded entity) to a specified 10%-owned foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12c. If "No," skip lines 12c and 12d, and go to line 13.
- c** Immediately after the transfer, was the domestic corporation a U.S. shareholder with respect to the transferee foreign corporation?  **Yes**  **No**  
 If "Yes," continue to line 12d. If "No," skip line 12d, and go to line 13.
- d** Enter the transferred loss amount included in gross income as required under section 91 ► \$ \_\_\_\_\_
- 13** Did the transferor transfer property described in section 367(d)(4)?  **Yes**  **No**  
 If "No," skip Section C and questions 14a through 15.

**Section C - Intangible Property Subject to Section 367(d)**

Type of property	(a) Date of transfer	(b) Description of property	(c) Useful life	(d) Arm's length price on date of transfer	(e) Cost or other basis	(f) Income inclusion for year of transfer
Property described in sec. 367(d)(4)						
<b>Totals</b>						

- 14 a Did the transferor transfer any intangible property that, at the time of the transfer, had a useful life reasonably anticipated to exceed 20 years?  Yes  No
- b At the time of the transfer, did any of the transferred intangible property have an indefinite useful life?  Yes  No
- c Did the transferor choose to apply the 20-year inclusion period provided under Regulations section 1.367(d)-1(c)(3)(ii) for any intangible property?  Yes  No
- d If the answer to line 14c is "Yes," enter the total estimated anticipated income or cost reduction attributable to the intangible property's, or properties', as applicable, use(s) beyond the 20-year period described in Regulations section 1.367(d)-1(c)(3)(ii) ▶ \$ \_\_\_\_\_
- 15 Was any intangible property transferred considered or anticipated to be, at the time of the transfer or at any time thereafter, a platform contribution as defined in Regulations section 1.482-7(c)(1)?  Yes  No

**Supplemental Part III Information Required To Be Reported** (see instructions)  
**SEE ATTACHED STATEMENTS**

**Part IV Additional Information Regarding Transfer of Property** (see instructions)

- 16 Enter the transferor's interest in the transferee foreign corporation before and after the transfer.  
 (a) Before .224 % (b) After .224 %
- 17 Type of nonrecognition transaction (see instructions) ▶ **IRC SECTION 351**
- 18 Indicate whether any transfer reported in Part III is subject to any of the following.
  - a Gain recognition under section 904(f)(3)  Yes  No
  - b Gain recognition under section 904(f)(5)(F)  Yes  No
  - c Recapture under section 1503(d)  Yes  No
  - d Exchange gain under section 987  Yes  No
- 19 Did this transfer result from a change in entity classification?  Yes  No
- 20 a Did a domestic corporation make a distribution of property covered by section 367(e)(2)? (see instructions)  Yes  No  
 If "Yes," complete lines 20b and 20c.  
 b Enter the total amount of gain or loss recognized pursuant to Regulations section 1.367(e)-2(b) ▶ \$ \_\_\_\_\_  
 c Did the domestic corporation not recognize gain or loss on the distribution of property because the property was used in the conduct of U.S. trade or business under Regulations section 1.367(e)-2(b)(2)?  Yes  No
- 21 Did a domestic corporation make a section 355 distribution of stock in a foreign controlled corporation covered by section 367(e)(1)? See instructions  Yes  No

Electronic Filing PDF Attachment

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**American Bar Endowment  
Other Unrelated Business Income  
PLR Statement  
6/30/2023**

Total Cost Allocation Before Taxes	<b>3,235,706</b>
Less: Excludable Items:	
Investment Fees	<b>(344,913)</b>
 M-1 Adjustments	
50% Meals & Entertainment	<b>45,984</b>
Accrued Vacation	<b>34,973</b>
 Total Cost Allocation	<b>2,971,750</b>
Service Charge as Determined by PLR @ 5%	<b>5%</b>
 Unrelated Business Income - Cost Sharing with Affiliate	<b>148,588</b>
 Total Unrelated Business Income - Cost Sharing with Affiliate, 6/30/23	<b>148,588</b>

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AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Section 1.351-3(A)

- |  |   |
|--|---|
| (1) Name and taxpayer identification of every transferee:                  | Grosvenor Institutional Partners Master Fund, LTD.<br>N/A |
| (2) Date(s) of the transfer(s):  | Various   |
| (3) The aggregate fair market value and basis of the transferred property: | FMV: USD \$159,350  |
| (4) Date and control number of any related private letter ruling(s):       | N/A   |

DRAFT



AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Treas. Reg. Section 1.6038B-1(c)  
and Temp. Reg. Section 1.6038B-1T (c)

(1) Name of Transferor: American Bar Endowment  
EIN: 36-2384321  
Address: 321 N. Clark Street  
Chicago, IL 60654-7648

(2) Name of Transferee: Grosvenor Institutional Partners Master Fund, LTD.  
EIN: N/A  
Address: P.O. Box 309, Ugland House  
Grand Cayman, Cayman Islands KY1-1104

Country of Incorporation Cayman Islands

American Bar Endowment (EIN: 36-2384321) owns an interest in Grosvenor Institutional Partners, LP (EIN: 36-4336976) provided a Schedule K-1, Partner's Share of Income, Deduction, Credit, etc. to American Bar Endowment describing a IRC Sec. 351 contribution made by Grosvenor Institutional Partners, LP to Grosvenor Institutional Partners Master Fund, LTD.

(3) Consideration received: Ownership interest in Grosvenor Institutional Partners Master Fund, LTD. believed at the time to be equal in value to the cash transferred and consisting of stock in the foreign corporation.

(4) Cash \$159,350

- (i) Active trade or business property: CASH
- (ii) Stock or securities - Not applicable
- (iii) Depreciated property - Not applicable
- (iv) Property to be leased - Not applicable
- (v) Property to be sold - Not applicable
- (vi) Transfers to FSCs - Not applicable
- (vii) Tainted property - Not applicable
- (viii) Foreign loss branch - Not applicable
- (ix) Other intangibles - Not applicable

(5) Not applicable

(6) Not applicable

AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Section 1.351-3(A)

- |  |   |
|--|---|
| (1) Name and taxpayer identification of every transferee:                  | Bravo III Holding Fund Onshore TE I, LP<br>98-1328353 |
| (2) Date(s) of the transfer(s):  | Various   |
| (3) The aggregate fair market value and basis of the transferred property: | FMV: USD \$301,881                                    |
| (4) Date and control number of any related private letter ruling(s):       | N/A   |

DRAFT

AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Treas. Reg. Section 1.6038B-1(c)  
and Temp. Reg. Section 1.6038B-1T (c)

(1) Name of Transferor: American Bar Endowment  
EIN: 36-2384321  
Address: 321 N. Clark Street  
Chicago, IL 60654-7648

(2) Name of Transferee: Bravo III Holding Fund Onshore TE I, LP  
EIN: 98-1328353  
Address: 190 Elgin Avenue  
George Town, Cayman Islands KY1-9005

Country of Incorporation Cayman Islands

American Bar Endowment (EIN: 36-2384321) owns an interest in Pimco Bravo Fund III Onshore Feeder TE, LP (32-0494577) provided a Schedule K-1, Partner's Share of Income, Deduction, Credit, etc. to American Bar Endowment describing a IRC Sec. 351 contribution made by Pimco Bravo Fund III Onshore Feeder TE, LP to Bravo III Holding Fund Onshore TE I, L.P.

(3) Consideration received: Ownership interest in Bravo III Holding Fund Onshore TE I, L.P. believed at the time to be equal in value to the cash transferred and consisting of stock in the foreign corporation.

(4) Cash \$301,881

- (i) Active trade or business property: CASH
- (ii) Stock or securities - Not applicable
- (iii) Depreciated property - Not applicable
- (iv) Property to be leased - Not applicable
- (v) Property to be sold - Not applicable
- (vi) Transfers to FSCs - Not applicable
- (vii) Tainted property - Not applicable
- (viii) Foreign loss branch - Not applicable
- (ix) Other intangibles - Not applicable

(5) Not applicable

(6) Not applicable

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AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Section 1.351-3(A)

- |  |   |
|--|---|
| (1) Name and taxpayer identification of every transferee:                  | Bravo IV Holding Fund Onshore I, L.P.<br>98-1564462 |
| (2) Date(s) of the transfer(s):  | Various   |
| (3) The aggregate fair market value and basis of the transferred property: | FMV: USD \$1,282,405                                |
| (4) Date and control number of any related private letter ruling(s):       | N/A   |

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AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Treas. Reg. Section 1.6038B-1(c)  
and Temp. Reg. Section 1.6038B-1T (c)

(1) Name of Transferor: American Bar Endowment  
EIN: 36-2384321  
Address: 321 N. Clark Street  
Chicago, IL 60654-7648

(2) Name of Transferee: Bravo IV Holding Fund Onshore I, L.P.  
EIN: 98-1564462  
Address: 27 Hospital Road  
George Town, Cayman Islands KY1-9008

Country of Incorporation Cayman Islands

American Bar Endowment (EIN: 36-2384321) owns an interest in PIMCO Bravo Fund IV Onshore Feeder, L.P. (EIN: 85-3529209) provided a Schedule K-1, Partner's Share of Income, Deduction, Credit, etc. to American Bar Endowment describing a IRC Sec. 351 contribution made by PIMCO Bravo Fund IV Onshore Feeder, L.P. to Bravo IV Holding Fund Onshore I, L.P.

(3) Consideration received: Ownership interest in Bravo IV Holding Fund Onshore I, L.P. believed at the time to be equal in value to the cash transferred and consisting of stock in the foreign corporation.

(4) Cash \$1,282,405

- (i) Active trade or business property: CASH
- (ii) Stock or securities - Not applicable
- (iii) Depreciated property - Not applicable
- (iv) Property to be leased - Not applicable
- (v) Property to be sold - Not applicable
- (vi) Transfers to FSCs - Not applicable
- (vii) Tainted property - Not applicable
- (viii) Foreign loss branch - Not applicable
- (ix) Other intangibles - Not applicable

(5) Not applicable

(6) Not applicable

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AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Section 1.351-3(A)

- |  |   |
|--|---|
| (1) Name and taxpayer identification of every transferee:                  | PIMCO Bravo II Holding Fund I, LP<br>98-1095296 |
| (2) Date(s) of the transfer(s):  | Various   |
| (3) The aggregate fair market value and basis of the transferred property: | FMV: USD \$389,527                              |
| (4) Date and control number of any related private letter ruling(s):       | N/A   |

DRAFT

AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Treas. Reg. Section 1.6038B-1(c)  
and Temp. Reg. Section 1.6038B-1T (c)

(1) Name of Transferor: American Bar Endowment  
EIN: 36-2384321  
Address: 321 N. Clark Street  
Chicago, IL 60654-7648

(2) Name of Transferee: PIMCO Bravo II Holding Fund I, LP  
EIN: 98-1095296  
Address: 190 Elgin Avenue  
George Town, Cayman Islands KY1-9005

Country of Incorporation Cayman Islands

American Bar Endowment (EIN: 36-2384321) owns an interest in PIMCO Bravo Fund Onshore Feeder II, LP, (EIN: 80-0875546) provided a Schedule K-1, Partner's Share of Income, Deduction, Credit, etc. to American Bar Endowment describing a IRC Sec. 351 contribution made by PIMCO Bravo Fund Onshore Feeder II, L.P. to PIMCO Bravo II Holding Fund I, LP.

(3) Consideration received: Ownership interest in PIMCO Bravo II Holding Fund I, LP believed at the time to be equal in value to the cash transferred and consisting of stock in the foreign corporation.

(4) Cash \$389,527

- (i) Active trade or business property: CASH
- (ii) Stock or securities - Not applicable
- (iii) Depreciated property - Not applicable
- (iv) Property to be leased - Not applicable
- (v) Property to be sold - Not applicable
- (vi) Transfers to FSCs - Not applicable
- (vii) Tainted property - Not applicable
- (viii) Foreign loss branch - Not applicable
- (ix) Other intangibles - Not applicable

(5) Not applicable

(6) Not applicable

AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Section 1.351-3(A)

- |  |                                  |
|--|----------------------------------|
| (1) Name and taxpayer identification of every transferee:                  | Bighand UK HoldCo Limited<br>N/A |
| (2) Date(s) of the transfer(s):  | 2/23/2022                        |
| (3) The aggregate fair market value and basis of the transferred property: | FMV: USD \$261,528               |
| (4) Date and control number of any related private letter ruling(s):       | N/A                              |

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AMERICAN BAR ENDOWMENT  
EIN: 36-2384321

STATEMENT ATTACHED TO AND MADE PART OF FORM 990-T  
U.S. EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN  
FOR TAXABLE YEAR-ENDED JUNE 30, 2023

Statement Filed Pursuant to Treas. Reg. Section 1.6038B-1(c)  
and Temp. Reg. Section 1.6038B-1T (c)

(1) Name of Transferor: American Bar Endowment  
EIN: 36-2384321  
Address: 321 N. Clark Street  
Chicago, IL 60654-7648

(2) Name of Transferee: Bighand UK HoldCo Limited  
EIN: N/A  
Address: Suite 1, 3rd Floor, 11-12 St James's Square  
London, United Kingdom SW1Y 4LB

Country of Incorporation United Kingdom

American Bar Endowment (EIN: 36-2384321) owns an interest in Levine Leichtman Capital Partners VI-A AIV, LP (EIN: 98-1463144) provided a Schedule K-1, Partner's Share of Income, Deduction, Credit, etc. to American Bar Endowment describing a IRC Sec. 351 contribution made by Levine Leichtman Capital Partners VI-A AIV, LP to Bighand UK HoldCo Limited.

(3) Consideration received: Ownership interest in Bighand UK HoldCo Limited believed at the time to be equal in value to the cash transferred and consisting of stock in the foreign corporation.

(4) Cash \$261,528

- (i) Active trade or business property: CASH
- (ii) Stock or securities - Not applicable
- (iii) Depreciated property - Not applicable
- (iv) Property to be leased - Not applicable
- (v) Property to be sold - Not applicable
- (vi) Transfers to FSCs - Not applicable
- (vii) Tainted property - Not applicable
- (viii) Foreign loss branch - Not applicable
- (ix) Other intangibles - Not applicable

(5) Not applicable

(6) Not applicable

# California Exempt Organization Annual Information Return

Calendar Year 2022 or fiscal year beginning (mm/dd/yyyy) **07/01/2022**, and ending (mm/dd/yyyy) **06/30/2023**

Corporation/Organization name <b>AMERICAN BAR ENDOWMENT</b>		California corporation number <b>2327150</b>	
Additional information. See instructions.		FEIN <b>36-2384321</b>	
Street address (suite or room) <b>321 N. CLARK STREET, NO. 1400</b>		PMB no.	
City <b>CHICAGO</b>		State <b>IL</b>	ZIP code <b>60654-7648</b>
Foreign country name		Foreign province/state/county	
		Foreign postal code	

<p><b>A</b> First return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>B</b> Amended return <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>C</b> IRC Section 4947(a)(1) trust <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>D</b> Final information return?  <input type="checkbox"/> Dissolved <input type="checkbox"/> Surrendered (Withdrawn) <input type="checkbox"/> Merged/Reorganized          Enter date: (mm/dd/yyyy)</p> <p><b>E</b> Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other</p> <p><b>F</b> Federal return filed? (1) <input checked="" type="checkbox"/> 990T (2) <input type="checkbox"/> 990PF (3) <input type="checkbox"/> Sch H (990) (4) <input checked="" type="checkbox"/> Other 990 series</p> <p><b>G</b> Is this a group filing? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>H</b> Is this organization in a group exemption <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," what is the parent's name?</p>	<p><b>I</b> Did the organization have any changes to its guidelines not reported to the FTB? See instructions <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>J</b> If exempt under R&amp;TC Section 23701d, has the organization engaged in political activities? See instructions. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>K</b> Is the organization exempt under R&amp;TC Section 23701g? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," enter the gross receipts from nonmember sources \$</p> <p><b>L</b> Is the organization a limited liability company? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>M</b> Did the organization file Form 100 or Form 109 to report taxable income? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>N</b> Is the organization under audit by the IRS or has the IRS audited in a prior year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>O</b> Is federal Form 1023/1024 pending? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Date filed with IRS</p>
---	---

**Part I Complete Part I unless not required to file this form. See General Information B and C.**

<b>Receipts and Revenues</b>	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	38,428,722	00	
	2	Gross dues and assessments from members and affiliates	2		00	
	3	Gross contributions, gifts, grants, and similar amounts received <b>STMT 1</b>	3	8,528,933	00	
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. <b>STMT 2</b>	4	46,957,655	00	
	<b>This line must be completed. If the result is less than \$50,000, see General Information B</b>					
	5	Cost of goods sold	5		00	
	6	Cost or other basis, and sales expenses of assets sold	6	22,687,433	00	
	7	Total costs. Add line 5 and line 6	7	22,687,433	00	
<b>Expenses</b>	8	Total gross income. Subtract line 7 from line 4	8	24,270,222	00	
	9	Total expenses and disbursements. From Side 2, Part II, line 18	9	11,475,848	00	
<b>Filing Fee</b>	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	12,794,374	00	
	11	Total payments	11		00	
	12	Use tax. See General Information K	12		00	
	13	Payments balance. If line 11 is more than line 12, subtract line 12 from line 11	13		00	
	14	Use tax balance. If line 12 is more than line 11, subtract line 11 from line 12	14		00	
	15	Penalties and interest. See General Information J	15		00	
<b>Sign Here</b>	16	<b>Balance due.</b> Add line 12 and line 15. Then subtract line 11 from the result	16		00	
	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
<b>Paid Preparer's Use Only</b>	Signature of officer <b>EXECUTIVE DIRE</b>		Date		• Telephone	
	Preparer's signature		Date		• PTIN	
	Firm's name (or yours, if self-employed) and address <b>RSM US LLP 30 SOUTH WACKER DR, SUITE 3300 CHICAGO, IL 60606-3392</b>		Check if self-employed <input type="checkbox"/>		<b>P01247672</b>	
					• Firm's FEIN <b>42-0714325</b> • Telephone <b>312-634-3400</b>	
May the FTB discuss this return with the preparer shown above? See instructions <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No						

**Part II** Organizations with gross receipts of more than \$50,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information.

SEE PART II SUBSTITUTE ATTACHMENT

<b>Receipts from Other Sources</b>	1	Gross sales or receipts from all business activities. See instructions	•	1		00	
	2	Interest	•	2		00	
	3	Dividends	•	3		00	
	4	Gross rents	•	4		00	
	5	Gross royalties	•	5		00	
	6	Gross amount received from sale of assets (See instructions)	•	6		00	
	7	Other income	•	7		00	
	8	<b>Total</b> gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1		8		00	
	9	Contributions, gifts, grants, and similar amounts paid	•	9		00	
	10	Disbursements to or for members	•	10		00	
	11	Compensation of officers, directors, and trustees	•	11		0 00	
	12	Other salaries and wages	•	12		00	
	<b>Expenses and Disbursements</b>	13	Interest	•	13		00
		14	Taxes	•	14		00
		15	Rents	•	15		00
		16	Depreciation and depletion (See instructions)	•	16		00
		17	Other expenses and disbursements	•	17		00
		18	<b>Total</b> expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9		18		00

<b>Schedule L Balance Sheet</b>	Beginning of taxable year			End of taxable year
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash				•
2 Net accounts receivable				•
3 Net notes receivable				•
4 Inventories				•
5 Federal and state government obligations				•
6 Investments in other bonds				•
7 Investments in stock				•
8 Mortgage loans				•
9 Other investments				•
10 a Depreciable assets				
b Less accumulated depreciation	( )		( )	
11 Land				•
12 Other assets				•
13 <b>Total assets</b>				
<b>Liabilities and net worth</b>				
14 Accounts payable				•
15 Contributions, gifts, or grants payable				•
16 Bonds and notes payable				•
17 Mortgages payable				•
18 Other liabilities				
19 Capital stock or principal fund				•
20 Paid-in or capital surplus. Attach reconciliation				•
21 Retained earnings or income fund				•
22 <b>Total liabilities and net worth</b>				

<b>Schedule M-1 Reconciliation of income per books with income per return</b>			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$50,000.			
1 Net income per books	•	7 Income recorded on books this year not included in this return. Attach schedule	•
2 Federal income tax	•	8 Deductions in this return not charged against book income this year. Attach schedule	•
3 Excess of capital losses over capital gains	•	9 Total. Add line 7 and line 8	
4 Income not recorded on books this year. Attach schedule	•	10 Net income per return. Subtract line 9 from line 6	
5 Expenses recorded on books this year not deducted in this return. Attach schedule	•		
6 Total. Add line 1 through line 5			

CA 199

CASH CONTRIBUTIONS  
INCLUDED ON PART I, LINE 3

STATEMENT 1

CONTRIBUTOR'S NAME	CONTRIBUTOR'S ADDRESS	DATE OF GIFT	AMOUNT
MIKE & HOLLY JOHANSEN CHARITABLE FUND	225 MILL HARBOR DRIVE ARNOLD, MD 21012		60,000.
LERMAN FAMILY CHARITABLE GIFT FUND	1519 SPRUCE ST PHILADELPHIA, PA 19102		40,000.
GRAFSTEIN FAMILY CHARITY	1760 EAST 28TH STREET BROOKLYN, NY 11229		22,500.
JOANNE MARTIN	555 ALDINE CHICAGO , IL 60657		10,000.
TOTAL INCLUDED ON LINE 3			132,500.

CA 199

NONCASH CONTRIBUTIONS  
INCLUDED ON PART I, LINE 3

STATEMENT 2

CONTRIBUTOR'S NAME	CONTRIBUTOR'S ADDRESS	DATE OF GIFT	FMV OF GIFT	TOTAL AMOUNT
RICHARD BURDGE AND LEE EDMON	55 CLUB ROAD PASADENA, CA 91105			
PROPERTY DESCRIPTION				
STOCKS - IMMEDIATELY CONVERTED TO CASH		06/30/23	47,346.	47,346.
TOTAL INCLUDED ON LINE 3			47,346.	47,346.

California Exempt Organization  
Business Income Tax Return

Calendar Year 2022 or fiscal year beginning (mm/dd/yyyy) **07/01/2022**, and ending (mm/dd/yyyy) **06/30/2023**

Corporation/Organization name **AMERICAN BAR ENDOWMENT** California corporation number **2327150**

Additional information. See instructions. FEIN **36-2384321**

Street address (suite/room no.) **321 N. CLARK STREET, NO. 1400** PMB no.

City (If the corporation has a foreign address, see instructions.) **CHICAGO** State **IL** ZIP code **60654-7648**

Foreign country name Foreign province/state/county Foreign postal code

- A First return filed?  Yes  No
- B Is this an education IRA within the meaning of R&TC Section 23712?  Yes  No
- C Is the organization under audit by the IRS or has the IRS audited in a prior year?  Yes  No
- D Final return?  Dissolved  Surrendered (Withdrawn)  Merged/Reorganized  
Enter date (mm/dd/yyyy)
- E Amended return?  Yes  No
- F Accounting method used: (1)  Cash (2)  Accrual (3)  Other
- G Nature of trade or business **SEE STATEMENT 3**
- H Is the organization a non-exempt charitable trust as described in IRC Section 4947(a)(1)?  Yes  No
- I Is this organization claiming any former; Enterprise Zone (EZ), Local Agency Military Base Recovery Area (LAMBRA), Targeted Tax Area (TTA), or Manufacturing Enhancement Area (MEA) tax benefits?  Yes  No
- J Is this organization a qualified pension, profit-sharing, or stock bonus plan as described in IRC Section 401(a)?  Yes  No
- K Unrelated Business Activity (UBA) code **524113**
- L Is this a hospital?  Yes  No  
If "Yes," attach federal Schedule H (Form 990)

Taxable Corporation	1	Unrelated business taxable income from Side 2, Part II, line 30	•	1	121,871	00
	2	Mult. In 1 by the avg. apport. pctg <b>10.1606</b> % from the Sch. R, Apport. Formula Wksht, Part A, In 2 or Part B, In 5. See instr.	•	2	12,383	00
	3	Enter the lesser amt from In 1 or In 2. If the unrelated bus. activity is wholly in CA and Sch. R was not compltd, enter the amt from In 1	•	3	12,383	00
Taxable Trust	4	Unrelated business taxable income from Side 2, Part II, line 30	•	4		00
Tax Computation	5	Unrelated business taxable income from line 3 or line 4	•	5	12,383	00
	6	EZ, LAMBRA, or TTA NOL carryover deduction	•	6		00
	7	Net Operating Loss deduction. See General Information N	•	7		00
	8	Add line 6 and line 7	•	8		00
	9	Net unrelated business taxable income. Subtract line 8 from line 5	•	9	12,383	00
	10	Tax <b>8.84</b> % x line 9. See General Information J	•	10	1,095	00
	11	Tax credits from Schedule B. See instructions	•	11		00
Total Tax	12	Balance. Subtract line 11 from line 10. If line 11 is greater than line 10, enter -0-	•	12	1,095	00
	13	Alternative minimum tax. See General Information O	•	13		00
	14	Total tax. Add line 12 and line 13	•	14	1,095	00
Payments	15	Overpayment from a prior year allowed as a credit	•	15	1,460	00
	16	2022 estimated tax payments. See instructions	•	16		00
	17	Withholding (Form 592-B and/or 593). See instructions	•	17		00
	18	Amount paid with extension (form FTB 3539)	•	18		00
	19	Total payments and credits. Add line 15 through line 18	•	19	1,460	00
Use Tax/Tax Due/Overpayment	20	Use tax. See instructions	•	20		00
	21	Payments balance. If line 19 is more than line 20, subtract line 20 from line 19	•	21	1,460	00
	22	Use tax balance. If line 20 is more than line 19, subtract line 19 from line 20	•	22		00
	23	Tax due. Subtract line 21 from line 14. Pay entire amount with return. See instructions	•	23		00
	24	Overpayment. Subtract line 14 from line 21. See instructions	•	24	365	00
	25	Enter amount of line 24 to be applied to 2023 estimated tax	•	25	365	00

Refund or Amount Due	26 Refund. If line 25 is less than line 24, then subtract line 25 from line 24	• 26	00
	a Fill in the account information to have the refund directly deposited. Routing number	• 26a	
	b Type: Checking <input type="checkbox"/> Savings <input type="checkbox"/> c Account Number	• 26c	
	27 Penalties and interest. See General Information M	• 27	00
28 <input type="checkbox"/> Check if estimate penalty computed using Exception B or C and attach form FTB 5806			
29 Total amount due. Add line 22, line 23, line 25, and line 27, then subtract line 24	• 29	00	

Unrelated Business Taxable Income

Part I Unrelated Trade or Business Income

1 a Gross receipts or gross sales	b Less returns and allowances	c Balance	• 1c	00
2 Cost of goods sold and/or operations (Schedule A, line 7)			• 2	00
3 Gross profit. Subtract line 2 from line 1c			• 3	00
4 a Capital gain net income. See Specific Line Instructions - Trusts attach Schedule D (541)			• 4a	00
b Net gain (loss) from Part II, Schedule D-1			• 4b	00
c Capital loss deduction for trusts			• 4c	00
5 Income (or loss) from partnerships, limited liability companies, or S corporations. See Specific Line Instructions. Attach Schedule K-1 (565, 568, or 100S) or similar schedule			• 5	-132 00
6 Rental income (Schedule C)			• 6	00
7 Unrelated debt-financed income (Schedule D)			• 7	00
8 Investment income of an R&TC Section 23701g, 23701i, or 23701n organization (Schedule E)			• 8	00
9 Interest, Annuities, Royalties and Rents from controlled organizations (Schedule F)			• 9	00
10 Exploited exempt activity income (Schedule G)			• 10	00
11 Advertising income (Schedule H, Part III, Column A)			• 11	00
12 Other income. Attach schedule	SEE STATEMENT 4		• 12	148,588 00
13 Total unrelated trade or business income. Add line 3 through line 12			• 13	148,456 00

Part II Deductions Not Taken Elsewhere (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees from Schedule I	• 14	00
15 Salaries and wages	• 15	00
16 Repairs	• 16	00
17 Bad debts	• 17	00
18 Interest. Attach schedule	• 18	00
19 Taxes. Attach schedule	• 19	12,044 00
20 Contributions. See instructions and attach schedule	• 20	13,541 00
21 a Depreciation (Corporations and Associations - Schedule J) (Trusts - form FTB 3885F)	• 21a	00
b Less: depreciation claimed on Schedule A. See instructions	• 21b	00
22 Depletion. Attach schedule	• 22	00
23 a Contributions to deferred compensation plans	• 23a	00
b Employee benefit programs. See instructions	• 23b	00
24 Other deductions. Attach schedule	• 24	00
25 Total deductions. Add line 14 through line 24	• 25	25,585 00
26 Unrelated business taxable income before allowable excess advertising costs. Subtract line 25 from line 13	• 26	122,871 00
27 Excess advertising costs (Schedule H, Part III, Column B)	• 27	00
28 Unrelated business taxable income before specific deduction. Subtract line 27 from line 26	• 28	122,871 00
29 Specific deduction. See instructions	• 29	1,000 00
30 Unrelated business taxable income. Subtract line 29 from line 28. If line 28 is a loss, enter line 28	• 30	121,871 00

Our privacy notice can be found in annual tax booklets or online. Go to [ftb.ca.gov/privacy](http://ftb.ca.gov/privacy) to learn about our privacy policy statement, or go to [ftb.ca.gov/forms](http://ftb.ca.gov/forms) and search for 1131 to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code 948 when instructed.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Title <b>EXECUTIVE DIRECTOR</b>	Date	• Telephone
Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	• PTIN <b>P01247672</b>
Firm's name (or yours, if self-employed) and address <b>RSM US LLP 30 SOUTH WACKER DR, SUITE 3300 CHICAGO, IL 60606-3392</b>			• Firm's FEIN <b>42-0714325</b> • Telephone <b>312-634-3400</b>
May the FTB discuss this return with the preparer shown above? See instructions			• <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Schedule A Cost of Goods Sold and/or Operations.

Method of inventory valuation (specify)

N/A

Table with 7 rows for Schedule A. Columns include line numbers (1-7), descriptions (Inventory at beginning/end of year, Purchases, Cost of labor, etc.), and amounts (00). Includes a checkbox for IRC Section 263A rules.

Schedule B Tax Credits.

Table for Schedule B with 4 rows. Columns include line numbers (1-4), credit names, codes, and amounts (00). Includes a total line for claimed credits.

Schedule K Add-On Taxes or Recapture of Tax. See instructions.

Table for Schedule K with 5 rows. Columns include line numbers (1-5), descriptions (Interest computation, Credit recapture, etc.), and amounts (00). Includes a total line for amounts.

Schedule R Apportionment Formula Worksheet. Use only for unrelated trade or business amounts.

Part A. Standard Method - Single-Sales Factor Formula. Complete this part only if the corporation uses the single-sales factor formula.

Table for Part A of Schedule R with 2 rows. Columns include (a) Total within and outside California, (b) Total within California, and (c) Percent within California. Includes a total sales line and an apportionment percentage line.

Part B. Three Factor Formula. Complete this part only if the corporation uses the three-factor formula.

Table for Part B of Schedule R with 5 rows. Columns include (a) Total within and outside California, (b) Total within California, and (c) Percent within California. Includes lines for Property factor, Payroll factor, Sales factor, Total percentage, and Average apportionment percentage.

Schedule C Rental Income from Real Property and Personal Property Leased with Real Property

For rental income from debt-financed property, use Schedule D, R&TC Section 23701g, Section 23701i, and Section 23701n organizations. See instructions for exceptions.

Table for Schedule C with 5 main sections. Section 1: Description of property, Rent received, Percentage of rent. Section 4: Complete if any item in column 3 is more than 50%. Section 5: Complete if any item in column 3 is more than 10%. Includes columns for Deductions, Gross income, and Net income.

Add columns 4(b) and column 5(c). Enter here and on Side 2, Part I, line 6

Schedule D Unrelated Debt-Financed Income

Table with 9 columns: 1 Description of debt-financed property, 2 Gross income from or allocable to debt-financed property, 3 Deductions directly connected with or allocable to debt-financed property, 4 Amount of average acquisition indebtedness, 5 Average adjusted basis, 6 Debt basis percentage, 7 Gross income reportable, 8 Allocable deductions, 9 Net income (or loss) includible.

Schedule E Investment Income of an R&TC Section 23701g, Section 23701i, or Section 23701n Organization

Table with 6 columns: 1 Description, 2 Amount, 3 Deductions directly connected, 4 Net investment income, 5 Set-asides, 6 Balance of investment income.

Schedule F Interest, Annuities, Royalties and Rents from Controlled Organizations

Table with 6 columns: 1 Name of controlled organizations, 2 Employer identification number, 3 Net unrelated income (loss), 4 Total of specified payments made, 5 Part of column (4) that is included in the controlling organization's gross income, 6 Deductions directly connected with income in column (5).

Schedule G Exploited Exempt Activity Income, other than Advertising Income

Table with 8 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected with production of unrelated business income, 4 Net income from unrelated trade or business, 5 Gross income from activity that is not unrelated business income, 6 Expenses attributable to column 5, 7 Excess exempt expense, 8 Net income includible.

\* STMT 6



Schedule H Advertising Income and Excess Advertising Costs

Part I Income from Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising income or excess advertising costs, 5 Circulation income, 6 Readership costs, 7 If column 5 is greater than column 6, enter the income shown in column 4, in Part III, column A(b).

Part II Income from Periodicals Reported on a Separate Basis

Table with 7 columns: d, e, f (rows) and corresponding columns 1-7 for separate basis reporting.

Part III Column A - Net Advertising Income

Table with 2 columns: (a) Enter "consolidated periodical" and/or names of non-consolidated periodicals, (b) Enter total amount from Part I, columns 4 or 7, and amount listed in Part II, columns 4 or 7.

Part III Column B - Excess Advertising Costs

Table with 2 columns: (a) Enter "consolidated periodical" and/or names of non-consolidated periodicals, (b) Enter total amount from Part I, column 4, and amounts listed in Part II, column 4.

Enter total here and on Side 2, Part I, line 11

Enter total here and on Side 2, Part II, line 27

Schedule I Compensation of Officers, Directors, and Trustees

Table with 6 columns: 1 Name of officer, 2 SSN or ITIN, 3 Title, 4 Percent of time devoted to business, 5 Compensation attributable to unrelated business, 6 Expense account allowances.

Total. Enter here and on Side 2, Part II, line 14

Schedule J Depreciation (Corporations and Associations only. Trusts use form FTB 3885F.)

Table with 7 columns: 1 Group and guideline class or description of property, 2 Date acquired (mm/dd/yyyy), 3 Cost or other basis, 4 Depreciation allowed or allowable in prior years, 5 Method of computing depreciation, 6 Life or rate, 7 Depreciation for this year.

CA 109 NATURE OF TRADE OR BUSINESS STATEMENT 3

COST SHARING WITH AFFILIATE

TO FORM 109, PAGE 1

CA 109 OTHER INCOME STATEMENT 4

DESCRIPTION	AMOUNT
SEE PLR STATEMENT	148,588.
TOTAL TO FORM 109, PAGE 2, LINE 12	148,588.

CA 109 TAXES PAID STATEMENT 5

DESCRIPTION	AMOUNT
IL TAXES	12,044.
TOTAL TO FORM 109, PAGE 2, LINE 19	12,044.

CA SCHEDULE G EXPENSES DIRECTLY CONNECTED WITH PRODUCTION OF UNRELATED BUSINESS INCOME STATEMENT 6

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
- SUBTOTAL -	1	4,119.	4,119.
TOTAL TO FORM 109, SCHEDULE G, COLUMN 3			4,119.

**ILLINOIS CHARITABLE ORGANIZATION ANNUAL REPORT**

PMT # \_\_\_\_\_  
AMT \_\_\_\_\_  
INIT \_\_\_\_\_

**Attorney General KWAME RAOUL State of Illinois**  
**Charitable Trust Bureau, 100 West Randolph**  
**11th Floor, Chicago, Illinois 60601**

**CO # 01-001,080**

**Report for the Fiscal Period:**

**Beginning** 07/01/2022

**& Ending** 06/30/2023  
MO DAY YR

**Make Checks Payable to the Illinois Charity Bureau Fund**

- Check all items attached:**
- Copy of IRS Return
  - Audited Financial Statements
  - Copy of Form IFC
  - \$15.00 Annual Report Filing Fee
  - \$100.00 Late Report Filing Fee
- MO DAY YR

Federal ID # 36-2384321

Are contributions to the organization tax deductible?  Yes  No

Date Organization was created:

LEGAL NAME <b>AMERICAN BAR ENDOWMENT</b>	Year-end amounts	
MAIL ADDRESS <b>321 N. CLARK STREET, 1400</b>	A) ASSETS	A) \$ <b>190,147,745.</b>
CITY, STATE <b>CHICAGO, IL</b>	B) LIABILITIES	B) \$ <b>25,778,277.</b>
ZIP CODE <b>60654-7648</b>	C) NET ASSETS	C) \$ <b>164,369,468.</b>
<b>I. SUMMARY OF ALL REVENUE ITEMS DURING THE YEAR:</b>	PERCENTAGE	AMOUNT
D) PUBLIC SUPPORT, CONTRIBUTIONS & PROGRAM SERVICE REV. (GROSS AMTS.)	<b>35.140 %</b>	D) \$ <b>8,528,933.</b>
E) GOVERNMENT GRANTS & MEMBERSHIP DUES	%	E) \$
F) OTHER REVENUES	<b>64.860 %</b>	F) \$ <b>15,742,655.</b>
G) TOTAL REVENUE, INCOME AND CONTRIBUTIONS RECEIVED (ADD D, E, & F)	100 %	G) \$ <b>24,271,588.</b>
<b>II. SUMMARY OF ALL EXPENDITURES DURING THE YEAR:</b>		
H) OPERATING CHARITABLE PROGRAM EXPENSE	<b>14.106 %</b>	H) \$ <b>1,621,588.</b>
I) EDUCATION PROGRAM SERVICE EXPENSE	%	I) \$
J) TOTAL CHARITABLE PROGRAM SERVICE EXPENSE (ADD H & I)	<b>14.106 %</b>	J) \$ <b>1,621,588.</b>
J1) JOINT COSTS ALLOCATED TO PROGRAM SERVICES (INCLUDED IN J):		\$
K) GRANTS TO OTHER CHARITABLE ORGANIZATIONS	<b>67.077 %</b>	K) \$ <b>7,710,731.</b>
L) TOTAL CHARITABLE PROGRAM SERVICE EXPENDITURE (ADD J & K)	<b>81.184 %</b>	L) \$ <b>9,332,319.</b>
M) MANAGEMENT AND GENERAL EXPENSE	<b>18.293 %</b>	M) \$ <b>2,102,885.</b>
N) FUNDRAISING EXPENSE	<b>0.523 %</b>	N) \$ <b>60,129.</b>
O) TOTAL EXPENDITURES THIS PERIOD (ADD L, M, & N)	100 %	O) \$ <b>11,495,333.</b>
<b>III. SUMMARY OF ALL PAID FUNDRAISER AND CONSULTANT ACTIVITIES:</b> (Attach Attorney General Report of Individual Fundraising Campaign- Form IFC. One for each PFR.)		
<b>PROFESSIONAL FUNDRAISERS:</b>		
P) TOTAL AMOUNT RAISED BY PAID PROFESSIONAL FUNDRAISERS	100 %	P) \$ <b>0.</b>
Q) TOTAL FUNDRAISERS FEES AND EXPENSES	%	Q) \$
R) NET RECEIVED BY THE CHARITY (P MINUS Q=R)	%	R) \$
<b>PROFESSIONAL FUNDRAISING CONSULTANTS:</b>		
S) TOTAL AMOUNT PAID TO PROFESSIONAL FUNDRAISING CONSULTANTS		S) \$ <b>0.</b>
<b>IV. COMPENSATION TO THE (3) HIGHEST PAID PERSONS DURING THE YEAR:</b>		
T) NAME, TITLE: <b>JOANNE MARTIN, EXECUTIVE DIRECTOR</b>		T) \$ <b>317,546.</b>
U) NAME, TITLE: <b>GARY KARLOWICZ, ACCOUNTING MANAGER</b>		U) \$ <b>130,449.</b>
V) NAME, TITLE: <b>DAN WOLTERINK, IT MANAGER</b>		V) \$ <b>103,951.</b>
<b>V. CHARITABLE PROGRAM DESCRIPTION:</b>	CHARITABLE PROGRAM (3 HIGHEST BY \$ EXPENDED) CODE CATEGORIES	List on back side of instructions CODE
W) DESCRIPTION: <b>INSURANCE PROGRAMS</b>		W) # <b>300</b>
X) DESCRIPTION: <b>GRANTS TO OTHER CHARITABLE ORGANIZATIONS</b>		X) # <b>150</b>
Y) DESCRIPTION: <b>GRANTS TO OTHER CHARITABLE ORGANIZATIONS</b>		Y) # <b>150</b>

**IF THE ANSWER TO ANY OF THE FOLLOWING IS YES, ATTACH A DETAILED EXPLANATION:**

	YES	NO
1. WAS THE ORGANIZATION THE SUBJECT OF ANY COURT ACTION, FINE, PENALTY OR JUDGMENT? .....		<input checked="" type="checkbox"/>
2. HAS THE ORGANIZATION OR A CURRENT DIRECTOR, TRUSTEE, OFFICER OR EMPLOYEE THEREOF, EVER BEEN CONVICTED BY ANY COURT OF ANY MISDEMEANOR INVOLVING THE MISUSE OR MISAPPROPRIATION OF FUNDS OR ANY FELONY? .....		<input checked="" type="checkbox"/>
3. DID THE ORGANIZATION MAKE A GRANT AWARD OR CONTRIBUTION TO ANY ORGANIZATION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES OWNS AN INTEREST; OR WAS IT A PARTY TO ANY TRANSACTION IN WHICH ANY OF ITS OFFICERS, DIRECTORS OR TRUSTEES HAS A MATERIAL FINANCIAL INTEREST; OR DID ANY OFFICER, DIRECTOR OR TRUSTEE RECEIVE ANYTHING OF VALUE NOT REPORTED AS COMPENSATION? .....		<input checked="" type="checkbox"/>
4. HAS THE ORGANIZATION INVESTED IN ANY CORPORATE STOCK IN WHICH ANY OFFICER, DIRECTOR OR TRUSTEE OWNS MORE THAN 10% OF THE OUTSTANDING SHARES? .....		<input checked="" type="checkbox"/>
5. IS ANY PROPERTY OF THE ORGANIZATION HELD IN THE NAME OF OR COMMINGLED WITH THE PROPERTY OF ANY OTHER PERSON OR ORGANIZATION? .....		<input checked="" type="checkbox"/>
6. DID THE ORGANIZATION USE THE SERVICES OF A PROFESSIONAL FUNDRAISER? (ATTACH FORM IFC) .....		<input checked="" type="checkbox"/>
7a. DID THE ORGANIZATION ALLOCATE THE COST OF ANY SOLICITATION, MAILING, ADVERTISEMENT OR LITERATURE COSTS BETWEEN PROGRAM SERVICE AND FUNDRAISING EXPENSES? .....		<input checked="" type="checkbox"/>
7b. IF "YES", ENTER (i) THE AGGREGATE AMOUNT OF THESE JOINT COSTS \$ _____ ; (ii) THE AMOUNT ALLOCATED TO PROGRAM SERVICES \$ _____ ; (iii) THE AMOUNT ALLOCATED TO MANAGEMENT AND GENERAL \$ _____ ; AND (iv) THE AMOUNT ALLOCATED TO FUNDRAISING \$ _____		
8. DID THE ORGANIZATION EXPEND ITS RESTRICTED FUNDS FOR PURPOSES OTHER THAN RESTRICTED PURPOSES? .....		<input checked="" type="checkbox"/>
9. HAS THE ORGANIZATION EVER BEEN REFUSED REGISTRATION OR HAD ITS REGISTRATION OR TAX EXEMPTION SUSPENDED OR REVOKED BY ANY GOVERNMENTAL AGENCY? .....		<input checked="" type="checkbox"/>
10. WAS THERE OR DO YOU HAVE ANY KNOWLEDGE OF ANY KICKBACK, BRIBE, OR ANY THEFT, DEFALCATION, MISAPPROPRIATION, COMMINGLING OR MISUSE OF ORGANIZATIONAL FUNDS? .....		<input checked="" type="checkbox"/>
11. LIST THE NAME AND ADDRESS OF THE FINANCIAL INSTITUTIONS WHERE THE ORGANIZATION MAINTAINS ITS THREE LARGEST ACCOUNTS:  <b>BMO HARRIS BANK, 111 W. MONROE STREET, CHICAGO, IL 60603</b>  <b>THE NORTHERN TRUST COMPANY, 50 S. LASALLE STREET, CHICAGO, IL 60603</b>		
12. NAME AND TELEPHONE NUMBER OF CONTACT PERSON: <b>DANA HILL - (312) 988-6400</b>		

**ALL ATTACHMENTS MUST ACCOMPANY THIS REPORT - SEE INSTRUCTIONS**

UNDER PENALTY OF PERJURY, I (WE) THE UNDERSIGNED DECLARE AND CERTIFY THAT I (WE) HAVE EXAMINED THIS ANNUAL REPORT AND THE ATTACHED DOCUMENTS, INCLUDING ALL THE SCHEDULES AND STATEMENTS, AND THE FACTS THEREIN STATED ARE TRUE AND COMPLETE AND FILED WITH THE ILLINOIS ATTORNEY GENERAL FOR THE PURPOSE OF HAVING THE PEOPLE OF THE STATE OF ILLINOIS RELY THEREUPON. I HEREBY FURTHER AUTHORIZE AND AGREE TO SUBMIT MYSELF AND THE REGISTRANT HEREBY TO THE JURISDICTION OF THE STATE OF ILLINOIS.

**BE SURE TO INCLUDE ALL FEES DUE:**

- 1.) REPORTS ARE DUE WITHIN SIX MONTHS OF YOUR FISCAL YEAR END.
- 2.) FOR FEES DUE SEE INSTRUCTIONS.
- 3.) REPORTS THAT ARE LATE OR INCOMPLETE ARE SUBJECT TO A \$100.00 PENALTY.

**HOWARD H. VOGEL**

PRESIDENT or TRUSTEE (PRINT NAME)

SIGNATURE

DATE

**HILARIE BASS**

TREASURER or TRUSTEE (PRINT NAME)

SIGNATURE

DATE

**REBEKUH ELEY**

PREPARER (PRINT NAME)

SIGNATURE

DATE



# 2022 Form IL-990-T

## Exempt Organization Income and Replacement Tax Return

Due on or before the 15th day of the 5th month (4th month for employee trusts) following the close of the tax year.

If this return is not for calendar year 2022, enter your fiscal tax year here. Tax year beginning <u>JUL 1</u> , 20 <u>22</u> , ending <u>JUN 30</u> , 20 <u>23</u> <small>month day year month day year</small> <b>WARNING</b> This form is for tax years ending on or after December 31, 2022, and before December 31, 2023. For all other situations, see instructions to determine the correct form to use.	Enter the amount you are paying. \$ _____
---	--

### Step 1: Identify your exempt organization

**A** Enter your complete legal business name.  
 If you have a name change, check this box.   
 Name: AMERICAN BAR ENDOWMENT

**B** Enter your mailing address.  
 Check this box if either of the following apply:   
 • this is your **first return**, or  
 • you have an **address change**.  
 C/O: \_\_\_\_\_

Mailing address: 321 N. CLARK STREET, 1400  
 City: CHICAGO State: IL ZIP: 60654-7648

**C** If this is the first or final return, check the applicable box(es).  
 First return  
 Final return (Enter the date of termination. \_\_\_\_\_ )  
mm dd yyyy

**D** Enter your federal employer identification no. (FEIN).  
36-2384321

**E** Check if you are taxed as a corporation.

**F** Check if you are taxed as a trust.

**G** Provide the nature of your unrelated trade or business. SEE STATEMENT 1

**H** Check this box if you attached Illinois Schedule 1299-D, Income Tax Credits.

**I** Enter your North American Industry Classification System (NAICS) Code, if applicable. See instructions.  
524113

**J** Check this box if you are a 52/53 week filer.

### Step 2: Figure your base income or loss

(Whole dollars only)

1 Unrelated business taxable income or loss from U.S. Form 990-T. See Instructions. <b>Attach</b> a copy of your U.S. Form 990-T.	1	168,158 .00
2 Illinois income and replacement tax and surcharge deducted in arriving at Line 1.	2	12,044 .00
3 <b>Base income or loss.</b> Add Lines 1 and 2.	3	180,202 .00

<b>STOP</b>	<b>A</b> If the amount on Line 3 is derived inside Illinois only or if you are an Illinois resident trust, check this box and enter the amount from Step 2, Line 3 on Step 4, Line 12. You may not complete Step 3. (You must leave Step 3, Lines 4 through 11 blank.) <input type="checkbox"/>
	<b>B</b> If any portion of the amount on Line 3 is derived outside Illinois, check this box and complete all lines of Step 3. (Do not leave Lines 6 through 8 blank.) See instructions. <input checked="" type="checkbox"/>

### Step 3: Figure your income allocable to Illinois (Complete only if you checked the box on Line B, above.)

4 Business income or loss included in Line 3 from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates. See instructions.	4	52,393 .00
5 Business income or loss. Subtract Line 4 from Line 3.	5	127,809 .00
6 Total sales everywhere. This amount cannot be negative.	6	115,764 .
7 Total sales inside Illinois. This amount cannot be negative.	7	114,822 .
8 Apportionment factor. Divide Line 7 by Line 6. Round to six decimal places.	8	.991863
9 Business income or loss apportionable to Illinois. Multiply Line 5 by Line 8.	9	126,769 .00
10 Business income or loss apportionable to Illinois from non-unitary partnerships, partnerships included on a Schedule UB, S corporations, trusts, or estates. See instructions.	10	0 .00
11 <b>Base income or loss allocable to Illinois.</b> Add Lines 9 and 10.	11	126,769 .00

### Step 4: Figure your net replacement tax

12 Net income or loss from Line 3 or Line 11.	12	126,769 .00
13 Replacement tax. <b>Corporations</b> multiply Line 12 by 2.5% (.025); <b>Trusts</b> multiply by 1.5% (.015).	13	3,169 .00
14 Recapture of investment credits. <b>Attach</b> Schedule 4255.	14	.00
15 Replacement tax before investment credits. Add Lines 13 and 14.	15	3,169 .00
16 Investment credits. <b>Attach</b> Form IL-477.	16	0 .00
17 <b>Net replacement tax.</b> Subtract Line 16 from Line 15. If the amount is negative, enter zero.	17	3,169 .00

Attach your payment and Form IL-990-T-V here.



### Step 5: Figure your net income tax

18	Net income or loss from Line 12.	18	126,769	.00
19	Income Tax. See instructions.	19	8,874	.00
20	Recapture of investment credits. <b>Attach</b> Schedule 4255.	20		.00
21	Income tax before credits. Add Lines 19 and 20.	21	8,874	.00
22	Income tax credits. <b>Attach</b> Schedule 1299-D.	22		.00
23	<b>Net income tax.</b> Subtract Line 22 from Line 21. If the amount is negative, enter zero.	23	8,874	.00

### Step 6: Figure your refund or balance due

24	Net replacement tax from Line 17.	24	3,169	.00
25	Net income tax from Line 23.	25	8,874	.00
26	Compassionate Use of Medical Cannabis Program Act surcharge. See instructions.	26		.00
27	Sale of assets by gaming licensee surcharge. See instructions.	27		.00
28	<b>Total net income and replacement taxes and surcharges.</b> Add Lines 24, 25, 26, and 27.	28	12,043	.00

29	Payments. See instructions.			
a	Credits from previous overpayments.	29a		.00
b	Total payments made before the date this return is filed.	29b	18,670	.00
c	Pass-through withholding reported to you on Schedule(s) K-1-P or K-1-T. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	29c		.00
d	Pass-through entity tax credit reported to you. <b>Attach</b> Schedule(s) K-1-P or K-1-T.	29d		.00
e	Illinois income tax withholding. <b>Attach</b> Form(s) W-2G.	29e		.00

30	Total payments. Add Lines 29a through 29e.	30	18,670	.00
31	<b>Overpayment.</b> If Line 30 is greater than Line 28, subtract Line 28 from Line 30.	31	6,627	.00
32	Amount to be <b>credited forward.</b> See instructions. Check this box and attach a detailed statement if this carryforward is going to a different FEIN. <input type="checkbox"/>	32	6,627	.00
33	<b>Refund.</b> Subtract Line 32 from Line 31. This is the amount to be refunded.	33		.00

**34 Complete to direct deposit your refund**

Routing Number \_\_\_\_\_  Checking or  Savings

Account Number \_\_\_\_\_

35	<b>Tax Due.</b> If Line 28 is greater than Line 30, subtract Line 30 from Line 28. This is the amount you owe.	35		.00
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▶ If you owe tax on Line 35, make an electronic payment at [Tax.Illinois.gov](http://Tax.Illinois.gov). If you must mail your payment, complete a payment voucher, Form IL-990-T-V. Write your FEIN, tax year ending, and "IL-990-T-V" on your check or money order and make it payable to "Illinois Department of Revenue." **Attach your voucher and payment to the front of this form.**

*Special Note* → Enter the amount of your payment on the top of Page 1 in the space provided.

### Step 7: Sign below - Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

<b>Sign Here</b>	<b>EXECUTIVE DIRECTOR</b>			<input checked="" type="checkbox"/> Check if the Department may discuss this return with the paid preparer shown in this step.
	Signature of authorized officer	Date (mm/dd/yyyy)	Title	Phone
<b>Paid Preparer Use Only</b>	<b>REBEKUH ELEY</b>			<input type="checkbox"/> Check if self-employed
	Print/Type paid preparer's name	Paid preparer's signature	Date (mm/dd/yyyy)	Paid Preparer's PTIN
	Firm's name ▶ <b>RSM US LLP</b>		Firm's FEIN ▶ <b>42-0714325</b>	
	Firm's address ▶ <b>30 SOUTH WACKER DR, SUITE 3300</b>		Firm's phone ▶ <b>312-634-3400</b>	

▶ If a payment is **not** enclosed, mail this return to: **Illinois Department of Revenue, P.O. Box 19009, Springfield, IL 62794-9009**

▶ If a payment is enclosed, mail this return to: **Illinois Department of Revenue, P.O. Box 19053, Springfield, IL 62794-9053**

COST SHARING WITH AFFILIATE

TO FORM IL-990-T, PAGE 1

DRAFT



January 16, 2024

Ms. Dana Sturtz Hill  
Executive Director  
American Bar Endowment  
321 North Clark Street  
Chicago, IL 60654

Email: [dhill@abenet.org](mailto:dhill@abenet.org)

Dear Dana:

Thank you for selecting Plante & Moran, PLLC (“PM”) to assist you. We are sending this letter and the accompanying Professional Services Agreement, the terms of which are incorporated into this engagement letter, to confirm the nature, limitations, and terms of the services we will provide to American Bar Endowment (“ABE” or “Client”).

### Scope of Services

Our consulting services will consist of the following:

Perform an evaluation and needs assessment to modernize the finance and accounting function of the American Bar Endowment. Our procedures will help establish the future state for people, processes, and technology through the following steps:

1. Stakeholder planning and preparation
2. Recurring status discussions with management
3. Interviews with key staff in the Finance and Accounting function and users of the function’s outputs
4. Develop an assessment of the Finance and Accounting functions needs in the following areas:
  - a. Technology
  - b. Processes
  - c. Staffing / Resources
5. Develop future state, including:
  - a. Organizational Chart
  - b. Role Definitions, including key aspects of each role (not job descriptions)
  - c. Technology Needs
  - d. Review of the Chart of Accounts and recommendations to Management
  - e. Process improvement recommendations to Management
6. Reporting to Management
7. Presentation to the Board of Directors

If Client wishes to engage PM to perform additional services, including accounting, assurance, tax assistance, or additional consulting, PM may be available to provide them under the terms of separate engagement letters and for additional fees.



### Fees and Payment Terms

Our fee for this engagement, subject to the terms and conditions of the accompanying Professional Services Agreement, will be based on the actual time that PM staff expend at our current hourly rates for the individuals involved plus related costs we incur.

We estimate that our fee for this engagement will be approximately \$25,000 to \$35,000, with a maximum of \$40,000, plus related costs we incur. If we believe we will exceed \$35,000, we will confer with you prior to doing so.

As you probably realize, our primary cost is salaries that are paid currently. Accordingly, our invoices will be rendered periodically and are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

For your convenience, payments can be made through our direct payment portal (<https://www.plantemoran.com/client-payment-portal>), via domestic wire or ACH to the following account:

#### Domestic Wire

Bank of America  
100 West 33rd Street  
New York, NY 10001  
Account No. 9890996003  
Routing/ABA No. 026009593  
Account Name: Plante & Moran, PLLC  
Account Address: 3000 Town Center, Suite 100  
Southfield, MI 48075

#### ACH

Bank of America  
1401 Elm Street, 2nd Floor  
Dallas, TX 75202  
Account No. 9890996003  
Routing/ABA No. 071000039  
Account Name: Plante & Moran, PLLC  
Account Address: 3000 Town Center, Suite 100  
Southfield, MI 48075

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Jack Kristan, Partner

**We accept this engagement letter and the accompanying Professional Service Agreement (collectively, "Agreement"), which set forth the entire agreement between American Bar Endowment, (referred to herein as "you," or "Client") and Plante & Moran, PLLC with respect to the services specified in this engagement letter.**

**Agreed and Accepted**

American Bar Endowment

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Dana Sturtz Hill  
Executive Director

---

Date

## Professional Services Agreement Addendum to Plante & Moran, PLLC Engagement Letter

The terms of this Professional Services Agreement are incorporated into the accompanying engagement letter (collectively, the Professional Services Agreement and the accompanying engagement letter are referred to herein as "Agreement") dated January 16, 2024 between Plante & Moran, PLLC (referred to herein and in such letter as "PM") and American Bar Endowment (referred to herein as "Client"). Any work performed in connection with the engagement before the date of this letter will also be governed by the terms and conditions of this Agreement.

1. **Management Responsibilities** – The services PM will provide are inherently advisory in nature. PM has no responsibility for any management decisions or management functions in connection with its engagement to provide these services. Further, Client acknowledges that Client is responsible for all such management decisions and management functions; for evaluating the adequacy and results of the services PM will provide and accepting responsibility for the results of those services; and for establishing and maintaining internal controls, including monitoring ongoing activities, in connection with PM's engagement. Client has designated Dana Sturtz Hill, Executive Director, to oversee the services PM will provide.

Client represents and warrants that any and all information that it transmits, or otherwise makes available, to Plante Moran will be done so in full compliance with all applicable federal, state, local, and foreign privacy and data protection laws, as well as all other applicable regulations and directives, as may be amended from time to time (collectively, "Data Privacy Laws"). Client shall not disclose personal data of data subjects ("Personal Data") who are entitled to certain rights and protections afforded by Data Privacy Laws to PM without prior notification to PM. Client shall make reasonable efforts to limit the disclosure of Personal Data to PM to the minimum necessary to accomplish the intended purpose of the disclosure to PM.

2. **Nature of Services** – PM's project activities will be based on information and records provided to PM by Client. PM will rely on such underlying information and records and the project activities will not include audit or verification of the information and records provided to PM in connection with the project activities.

The project activities PM will perform will not constitute an examination or audit of any Client financial statements or any other items, including Client's internal controls. Additionally, this engagement will not include preparation or review of any tax returns or consulting regarding tax matters. If Client requires financial statements or other financial information for third-party use, or if Client requires tax preparation or consulting services, a separate engagement letter will be required. Accordingly, Client agrees not to associate or make reference to PM in connection with any financial statements or other financial information of Client. In addition, PM's engagement is not designed and cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, PM will inform you of any such matters that come to PM's attention.

PM may have agreed to provide documents in written or electronic form to Client as described in the accompanying engagement letter's Scope of Services (the "Deliverables"). Client agrees that it shall not rely, and will not induce or permit others to rely, upon any draft advice, opinions, information, reports, and other communications other than a final Deliverable. The content of any Deliverable or other advice provided during the provision of the services engaged hereunder is limited to the matters specifically addressed therein, and unless otherwise agreed in the accompanying engagement letter, does not address any other potential tax consequences, including the potential application of tax penalties to any matter. Once provided in final form, PM is not obligated to update any Deliverable to account for new information or changes in law.

3. **Use of Report** – At the conclusion of PM's project activities, PM will provide Client with a written report as described in the accompanying engagement letter. PM's report will be restricted solely to use by management of Client and Client agrees that PM's report will not be distributed to any outside parties for any purpose other than to carry out legal responsibilities of Client. PM will have no responsibility to update PM's report for any events or circumstances that occur or become known subsequent to the date of that report.
4. **Interactive Analyses and Visualizations** – In instances where PM expressly agrees in the accompanying engagement letter to provide interactive analyses or visualization tools (collectively, "Electronic Documents") to Client, such Electronic Documents will be provided in a format determined to be acceptable to both parties. Client acknowledges and agrees that Client's ability to access such Electronic Documents may require software programs that PM does not develop, license, or support, and Client shall be solely responsible for the costs to obtain, use, or support any such required software. PM makes no representation or warranty with respect to such software or the continuing functionality of such software relative to the Electronic Documents and disclaims any and all express or implied warranties if any, associated with such software, its merchantability, and/or its fitness for any particular use by Client.

## **Professional Services Agreement – Consulting Services**

If and to the extent provided by PM, Electronic Documents are provided solely for the purpose of supporting the written report and are to be used only as expressly described in and authorized by the written report. PM disclaims any responsibility for any use of the Electronic Documents that is not expressly provided for in and authorized by the written report. Further, Client acknowledges that Client is solely responsible for evaluating the adequacy and accuracy of any results generated through the use of Electronic Documents. PM will have no responsibility to support or update the Electronic Documents for any events or circumstances that occur or become known subsequent to the date of their corresponding written report.

Client acknowledges that PM may utilize proprietary works of authorship that have not been created specifically for Client and were conceived, created, or developed prior to, or independent of, this engagement including, without limitation, computer programs, methodologies, algorithms, models, templates, software configurations, flowcharts, architecture designs, tools, specifications, drawings, sketches, models, samples, records, and documentation (collectively, "PM Intellectual Property"). Client agrees and acknowledges that PM Intellectual Property is and shall remain solely and exclusively the property of PM.

Upon payment for the engaged services, to the extent that PM incorporates PM Intellectual Property into the Electronic Documents (which PM shall do only as expressly provided for in the accompanying engagement letter), PM grants to Client a limited royalty-free, nonexclusive, right and license to use such incorporated PM Intellectual Property for internal purposes only and in the original format. Client agrees not to copy, publish, modify, disclose, distribute, decompile, reverse engineer, or create derivative works based on PM Intellectual Property. Notwithstanding the foregoing, in no event will PM be precluded from developing for itself or for others, works of authorship which are similar to those included in the written report.

If and to the extent PM shares information obtained from third-party data sources with Client, Client agrees not to (i) disclose or redistribute any such third-party data to third parties without the express written consent of PM; or (ii) attempt to extract, manipulate, or copy any embedded or aggregated third-party data from the Electronic Documents for any purpose.

- 5. Confidentiality, Ownership, and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of Client, including, but not limited to, information regarding general ledger balances, financial transactions, trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to Client. PM will comply with all applicable ethical standards, laws, and regulations as to the retention, protection, use, and distribution of such confidential client information. Except to the extent set forth herein, PM will not disclose such information to any third party without the prior written consent of Client.

In the interest of facilitating PM's services to Client, PM may communicate or exchange data by internet, email, facsimile transmission or other electronic methods. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, Client recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both Client and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this Agreement. In the event that a request for any confidential information or workpapers covered by this Agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform Client in a timely manner of such request and to cooperate with Client should Client attempt, at Client's cost, to limit such access. This provision will survive the termination of this Agreement. PM's efforts in complying with such requests will be deemed billable to Client as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

## **Professional Services Agreement – Consulting Services**

Upon Client's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. Client acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

6. **Data Access Management and Consent** – PM has operations both in and outside the United States and may, from time to time and at its reasonable discretion, use third party service providers both in and outside the United States in support of its operations and the services for Client (individually and collectively "Third Party Provider(s)"). Third Party Providers may include, for example and without limitation, PM's international affiliates that support PM's domestic operations, cloud service providers that support PM's infrastructure in general, or independent contractors that serve to supplement a particular engagement team's services for specific engagements. In such circumstances, PM will be solely responsible for the provision of any services by such Third-Party Providers and, where such Third-Party Providers' services involve the accessing or processing of Client data, PM will require Third Party Providers to maintain the confidentiality of any such data and not use such data for any purpose unrelated to assisting with PM's services for Client. In turn, Client, by its duly authorized signature on the accompanying engagement letter, consents to PM disclosing or otherwise allowing access to Client's data to such Third-Party Providers for such purposes. Client further acknowledges that, from time to time, PM representatives may have occasion to access Client data from outside the United States, for example and without limitation, when such PM representative(s) reside in or travel to another country. In such instances, PM agrees to use data access and storage protocols designed to reasonably safeguard data and Client consents to PM accessing Client data from outside of the United States under such circumstances.
7. **Protected Health Information** – If, and to the extent PM needs to review protected health information ("PHI") as defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") to perform the engaged services, Client agrees to separately execute a Business Associate Agreement, and Client agrees to make reasonable efforts to limit the disclosure of any PHI to the minimum amount necessary to accomplish the intended purpose of the disclosure to PM.
8. **Third-Party Data** – PM may reference third-party data sources in performing the services. Third-party data may include publicly available data, commercially available data licensed to PM, or information obtained from other sources. PM will use its judgment, discretion, best efforts, and good faith in evaluating the use of third-party data sources, but does not warrant or guarantee the accuracy, completeness, or timeliness of any data obtained from third-party data sources and disclaims any liability arising out of or relating to the use of data from third-party data sources. Client acknowledges that any commercially available third-party data sources referenced by PM are licensed to PM and PM's ability to share information obtained from commercially available third-party data sources is often restricted by the terms of use granted to PM by the licensor and, unless expressly set forth, PM makes no representation or warranty that Client will have access to data obtained from third-party data sources. If and to the extent PM shares information obtained from third-party data sources with Client, Client agrees not to disclose or redistribute any such third-party data to third parties without the express written consent of PM. This Agreement does not convey to Client a sublicense to any third-party data source unless expressly agreed to in writing and signed by a duly authorized representative of PM. However, nothing herein shall prevent Client from directly contracting with or obtaining a license from any third-party data source if Client determines, in its sole discretion, that any such direct contract or license to be in its best interest.
9. **Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on Client personnel providing PM staff the assistance necessary to satisfy Client responsibilities under the scope of services. This assistance includes availability and cooperation of those Client personnel relevant to PM's project activities and providing needed information to PM in a timely and orderly manner. In the event that undisclosed or unforeseeable facts regarding these matters causes the actual work required for this engagement to vary from PM's Fee Quotes, those Fee Quotes will be adjusted for the additional time PM incurs as a result.

In any circumstance where PM's work is rescheduled, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadline related to the completion of PM's work. Because rescheduling its work imposes additional costs on PM, in any circumstance where PM has provided Fee Quotes, those Fee Quotes may be adjusted for additional time PM incurs as a result of rescheduling its work.

PM will advise Client in the event these circumstances occur; however, it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this Agreement.

## **Professional Services Agreement – Consulting Services**

10. **Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in the accompanying engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this Agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's consulting work or issuance of PM's consulting report upon resumption of PM's work. Client agrees that in the event that work is suspended, for non-payment or other reasons, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
11. **Fee Adjustments** – Any fee adjustments for reasons described in this Agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and related costs PM incurs, and included as an adjustment to PM's invoices related to this engagement. Client acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this Agreement.
12. **Force Majeure** – Neither party shall be deemed to be in breach of this Agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war, other violence, epidemic, pandemic, or other public health emergency or government mandated shut down (each individually a "Force Majeure Event"). A Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
13. **Exclusion of Certain Damages** – Except to the extent finally determined to have resulted from PM's gross negligence or willful misconduct, the liability of PM and any of PM's officers, directors, partners, members, managers, employees; its affiliated, parent or subsidiary entities; and approved allied third-party service providers (collectively, "PM Persons") for any and all claims, losses, costs, and damages of any nature whatsoever is limited so that the total aggregate liability of the PM and/or the PM Persons with respect to and arising out of the services provided hereunder shall not exceed the total fees paid to PM for the services provided in connection with this Agreement. It is agreed that these limitations on PM's and the PM Persons' maximum liability are reasonable in view of, among other things, the nature, scope, and limitations of the services PM is to provide, and the fees PM is to receive under this engagement. In no event shall the PM or the PM Persons be liable, whether a claim be in tort, contract, or otherwise, for any consequential, indirect, lost profit, punitive, exemplary, or other special damages. The exclusion of certain damages as set forth in this Section apply to any and all liabilities or causes of action against PM and/or the PM Persons, however alleged or arising, unless and to the extent otherwise prohibited by law. This provision shall survive the termination of this engagement.

In the event this Agreement expressly identified multiple phases of services, the total aggregate liability of PM shall be limited to no more than the total amount of fees received by PM for the particular phase of services alleged to have given rise to any such liability.
14. **Defense, Indemnification, and Hold Harmless** – As a condition of PM's willingness to perform the services provided for in the accompanying engagement letter, Client agrees to defend, indemnify, and hold PM and the PM Persons harmless against any claims by third parties for losses, claims, damages, or liabilities, to which PM or the PM Persons may become subject in connection with or related to the services performed in the engagement, unless a court having jurisdiction shall have determined in a final judgment that such loss, claim, damage, or liability resulted primarily from the willful misconduct or gross negligence of PM, or one of the PM Persons. This defense, indemnity, and hold harmless obligation includes the obligation to reimburse PM and/or the PM Persons for any legal or other expenses incurred by PM or the PM Persons, as incurred, in connection with investigating or defending any such losses, claims, damages, or liabilities.
15. **Limitation on Period to File Claims** – Any claim (based in contract, tort, or any other basis) made by either party shall be deemed waived if such claim is not the subject of a lawsuit filed within two years of the conclusion of this Agreement. This provision shall not apply to any indemnification obligation created by this Agreement or applicable law, or to any action to recover fees for services provided under this Agreement.
16. **Legal Advice** – Client acknowledges that some of PM's partners and employees are licensed to practice law, but PM is not registered as a law firm in any jurisdiction. Client shall not rely upon any advice given by PM, any PM partner or employee (collectively, the "PM Persons") as legal advice, nor shall Client rely upon the PM Persons to satisfy, or assist Client in satisfying, any legal obligations. Upon request, PM may assist Client through the recommendation of counsel who may assist Client. Where such assistance is provided, Client agrees to hold PM harmless, and indemnify PM for the claims of third parties, for all damages claimed as a result of PM's recommendations.

## **Professional Services Agreement – Consulting Services**

17. **Beneficial Ownership Reporting** – Beginning January 1, 2024, the Corporate Transparency Act (“CTA”) requires certain companies to provide specified information related to beneficial ownership to FinCEN, a bureau of the United States Department of Treasury. Failure to comply with the beneficial ownership reporting requirements established by the CTA may be punishable by civil fines and criminal penalties.  
  
PM’s services shall not consist of the provision of advice regarding the CTA and its beneficial ownership reporting requirements or any similar reporting requirements, or the preparation and / or the submission of beneficial ownership reports. PM recommends that any Client requiring such services should contact Client’s legal counsel.
18. **Conditions of PM Visit to Client Facilities** – Client agrees that some or all of PM’s services may be provided remotely. In order to facilitate the provision of services remotely, Client agrees to provide documentation and other information reasonably required by PM for PM’s performance of the engaged services electronically to the extent possible throughout the course of the engagement. In the event in-person visits to Client’s facility are requested by Client or otherwise determined by PM to be necessary for the performance of the engaged services, Client agrees, upon PM’s request, to provide Client’s policies and procedures that Client has implemented relating to workplace safety and the prevention of the transmission of disease at its facility. In addition, Client affirms that it is in compliance with applicable Centers for Disease Control and Prevention and OSHA guidance pertaining to the prevention of the transmission of disease (collectively, “Applicable Preventative Guidance”) and agrees that it shall continue to comply with Applicable Preventative Guidance throughout any in-person visits by PM to Client’s facility. Notwithstanding the foregoing, PM reserves the right to suspend or refrain from any in-person visit by PM to Client’s facility or impose further conditions on any such in-person visit if and as PM deems necessary. Client agrees and acknowledges that any determination by PM to visit Client’s facility is not and shall not be construed to be or relied on by Client as a determination by PM of Client’s compliance with Applicable Preventative Guidance.
19. **Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Client but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this Agreement, Client agrees to compensate PM for the affected PM staff’s time at such staff’s current hourly rates, and to reimburse PM for all of PM’s out-of-pocket costs incurred associated with PM’s response unless otherwise reimbursed by a third party.
20. **Termination of Engagement** – This engagement may be terminated by either party upon written notice. Upon notification of termination of this engagement, PM will cease providing services under the engagement. Client shall compensate PM for all time expended and reimburse PM for all out-of-pocket expenditures incurred by PM through the date of termination of this engagement.
21. **Entire Agreement** – This Agreement is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this Agreement supersede any prior oral or written representations or commitments by or between the parties regarding the subject matter hereof. Any material changes or additions to the terms set forth in this Agreement will only become effective if evidenced by a written amendment to this Agreement, signed by all of the parties.
22. **Severability** – If any provision of this Agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
23. **Conflicts of Interest** – PM’s client acceptance procedures include a check as to whether any conflicts of interest exist that would prevent PM’s acceptance of this Agreement. No such conflicts have been identified. Client understands and acknowledges that PM may be engaged to provide professional services, now or in the future, unrelated to this engagement to parties whose interests may not be consistent with interests of Client.
24. **Electronic Signatures** – The parties intend that any electronic signature shall be given full legal effect as if it were a handwritten signature.
25. **Governing Law** – This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and jurisdiction over any action to enforce this Agreement, or any dispute arising from or relating to this Agreement shall reside exclusively within the State of Illinois.

## **End of Professional Services Agreement**

# **BYLAWS of the AMERICAN BAR ENDOWMENT**

## **ARTICLE I**

### **Members**

Section 1. The members of the Endowment shall be the persons who from time to time constitute the members in good standing of the American Bar Association. The Board of Directors may from time to time establish such other class or classes of members of the Endowment comprised of other persons deemed by the Board to have an appropriate relationship with the American Bar Association. In so acting, the Board shall prescribe the privileges thereof and shall retain the authority to discontinue any such class of members at any time.

Section 2. The annual meeting of the members, for the election of Directors and the transaction of such other business as may come before the meeting, shall be held during and in the same city as the annual meeting of the American Bar Association. Notice of the day, time, and place of the annual meeting of the members and the slate of nominees for election as Directors shall be published in the *American Bar Association Journal*, posted on the website of the American Bar Endowment and, to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five or more than sixty days before the date of the meeting.

Section 3. Special meetings of the members may be held at such time and place within or without the state of incorporation as the President or the Board of Directors may from time to time determine. Notice of the day, time and place of any such special meeting and the purpose or purposes for which the meeting is called shall be published in the *American Bar Association Journal*, posted on the website of the American Bar Endowment and to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five nor more than sixty days before the date of the meeting.

Section 4. Fifty members shall constitute a quorum at any meeting. Voting by proxy shall not be permitted. Members must be present to vote; participation by conference telephone or other communication equipment shall not constitute attendance and will not be permitted.

Section 5. Any member who desires to bring an action or a resolution before the membership must first give written notice thereof to the Secretary. The Secretary shall provide the member with the form of a petition which must set forth the proposed action or resolution, be signed by fifty members of the Endowment, and be served upon the Secretary at least one hundred eighty days prior to the meeting of members at which the action or resolution is to be presented. The Secretary shall promptly transmit any such petition to the Board of Directors.

Section 6. No action shall be taken by the members except at the annual meeting or a duly called special meeting.



## ARTICLE II Directors

Section 1. The affairs of the Endowment shall be managed by a Board of fourteen Directors as follows: ten Directors elected by the members; two Directors appointed by the Board of Governors of the American Bar Association; and two *ex officio* Directors with full voting rights selected by the ABA President from among the ABA officers for the duration of their terms as officers. The terms of all Directors shall commence upon the adjournment of the annual meeting of the American Bar Association during which they are elected or appointed and until their successors shall have been elected and qualified. Directors elected by the members shall serve five-year terms and may not serve for more than two terms or ten years with the exception that any Director in office and currently in line to serve as President at the time these amended bylaws are adopted will be able to be elected and serve through the end of his or her term as President. To create a staggered rotation of Directors, two member-elected Directors shall be elected each year to five year terms by the members. The Directors in office at the time these amended bylaws are adopted will remain in office for their current terms and the Board shall implement a schedule for rotation off the Board to maintain the staggered election schedule. ABA appointed Directors shall be appointed to five-year terms and may serve a total of two terms or ten years. To create a staggered rotation, the ABA Board of Governors and President will initially appoint two Directors, one to a four year term and one to a five year term. To be eligible to serve as a Director, a person must be a member of the Endowment.

Section 2. A majority of the whole Board of Directors shall constitute a quorum..

Section 3. If any vacancy occurs among the elected Directors, the remaining Directors by majority vote shall elect an eligible person to fill such vacancy until the next meeting of members, at which meeting the members shall elect an eligible person for the remainder of the term in respect of which the vacancy occurred. If any vacancy occurs among the appointed Directors, the person or entity responsible for the appointment will appoint an eligible person to fill the vacancy for the remainder of the term.

Section 4. One regular meeting of the Board of Directors shall be held each year following the adjournment of the annual meeting of the members. Additional regular meetings may be established by the Board. Special meetings may be held upon the call of the President, the Vice President, or any three Directors. Notice of the time and place of each meeting of the Board shall be sent by mail or by electronic means to each Director not less than five days before such meeting is to be held. Any Director may waive notice of any meeting. Any meeting, however called, for which there is a Waiver of Notice signed by all of the Directors, shall be deemed a valid meeting. Any action which is required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Directors.

Section 5. The Board of Directors shall have an Executive Committee, consisting of the President, Vice President, Treasurer and Secretary of the Endowment, which except as may otherwise be provided in the Illinois General Not for Profit Corporation Act, shall have and exercise the authority of the Board in the management of the Endowment during intervals between meetings of the Board. The minutes of all proceedings of the Executive Committee shall be recorded in writing by the Secretary and shall be promptly served upon all Directors.

Section 6. The Nominating Committee shall consist of four members serving for annual terms ending at the conclusion of the ABE Annual meeting of members, two appointed by the Board of Directors of the ABE and two appointed by the Board of Governors of the ABA, one of whom will be the Chair of the House of Delegates of the American Bar Association. The Nominating Committee will identify potential candidates to serve as elected Directors and submit those names to the ABE members, subject to the prior approval of the Board of Governors of the ABA and the Board of Directors of the ABE. If the Board of Governors and the ABE Board of Directors do not approve the recommended candidates, the Nominating Committee will identify and propose different candidates. If the Board of Governors and the ABE Board of Directors still do not approve the Nominating Committee's recommendation, the Board of Governors and the ABE Board of Directors each shall identify and submit to the ABE members the names of potential candidates for election.

Section 7. Other committees may be established by resolution, members of each committee shall be appointed by the President. Any committee member may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Endowment shall be served by such removal.

### **ARTICLE III**

#### **Officers**

Section 1. The officers shall consist of a President, a Vice President, a Secretary, and a Treasurer, who shall be elected annually by the Board of Directors and shall hold office for the term of one year commencing upon the adjournment of the annual meeting of the American Bar Association during which they are elected and until their successors shall have been elected and qualified. Only Directors may be elected or serve as officers. All officers authorized to sign checks or withdraw funds shall furnish a fiduciary bond in such amount as the Board may determine at the expense of the Endowment.

Section 2. The duties of such officers shall be such as usually attach to such offices, and in addition thereto, such further duties as shall be designated from time to time by the Board of Directors.

Section 3. The Board of Directors may appoint assistants to the officers who serve at the pleasure of the Board and whose duties shall be designated from time to time by the officer being assisted or by the Board.

### **ARTICLE IV**

#### **Gifts, Donations and Requests**

Section 1. Gifts, donations and bequests may be given directly to the Endowment with directions that the principal or the income therefrom shall be used for certain specified purposes, or the principal of such gift, donation or bequest may be given to some other person, corporation or trustee with instructions that the income therefrom shall either be paid to the Endowment or disbursed in accordance with the instructions of the Board of Directors of the Endowment, provided, however, that the uses and purposes of all such gifts, donations and bequests, either of income or principal, shall be in accord with the purposes specified in the Articles of Incorporation.

Section 2. Unless some special purpose accompanies such gift, donation or bequest, the Board of Directors of the Endowment may disburse the income for the purpose specified in the Articles of Incorporation.

Section 3. Unless prohibited by the terms of the gift, donation or bequest, the Endowment may by vote of four-fifths of the Directors then in office expend the principal of any gift, donation or bequests, for any or all of the purposes specified in the Articles of Incorporation.

Section 4. The Board of Directors shall have the authority and power to establish a charitable gift fund within the Endowment as a means for members to make lifetime testamentary contributions to be used for charitable purposes in accord with the purposes of the Endowment specified in its Articles of Incorporation. The Board of Directors, in its discretion, may establish by resolution from time to time the terms and provisions for the organization and operation of the charitable gift fund. Notwithstanding Sections 2 and 3 of this Article IV, the income and principal of gifts, donations and bequests to such a charitable gift fund of the Endowment may be expended or disbursed by conditions established from time to time by the Board of Directors for such charitable gift fund. If such a charitable gift fund is created, the Board of Directors shall have the power to modify any restriction or condition on the distribution of funds from the charitable gift fund for any specified charitable purposes or to any specified organization if in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the specified purpose or organization, and the Board of Directors shall have the power to transfer the assets of such charitable gift fund to a separate charitable trust or nonprofit corporation if, in its sole discretion, it determines such action to be in the best interests of the Endowment. The Board of Directors shall have the power to replace any participating trustee, custodian or agent of the charitable gift fund for any reason, including but not limited to a breach of fiduciary duty under the laws of the State of Illinois or a failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board of Directors in accordance with applicable Treasury Regulations.

## **ARTICLE V**

### **Staff and Agents**

Section 1. The Board of Directors in behalf of the Endowment may employ a staff to assist it in implementing its management of the affairs of the Endowment, and may retain the services of one or more agents to provide such additional services as the Board deems necessary or convenient in further implementation thereof, including, without limitation, the carrying on of its investment program, the purchase and sale of securities and investments, the custody of all securities and investments, and the auditing of the Endowment's accounts and records.

**ARTICLE VI**  
**Books of Account**

Section 1. All books and records of the Endowment may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time. The books of account shall be audited annually by Certified Public Accountants selected from time to time by the Board of Directors.

**ARTICLE VII**  
**Fiscal Year**

Section 1. The fiscal year of the Endowment shall begin on the first day of July in each year and end on the last day of June in the succeeding year.

**ARTICLE VIII**  
**Indemnification**

Section 1. The Directors, officers, employees and agents of the Endowment shall be indemnified by the Endowment to the fullest extent permitted by the Illinois General Not for Profit Corporation Act, without limitation upon any other right to indemnification to which any of them may otherwise be entitled, and the Board of Directors may authorize the purchase of insurance by the Endowment in behalf of any such Directors, officers, employees or agents against any liability asserted against any one or more of them in such capacity or arising from his, her or their status as such whether or not the Endowment would have the power to indemnify him or them against such liability under the provisions of the Act.

**ARTICLE IX**  
**Amendments to Bylaws**

Section 1. These Bylaws may be amended by a majority vote of the members present at any annual or special meeting of the members, provided notice of intention to amend and the substance of the proposed amendment is included in the notice of the meeting given in accordance with Article I, Section 2 or Section 3 (as applicable) not less than five nor more than forty days before any such meeting.

Section 2. No amendment shall alter substantially the general objects set forth in the Articles of Incorporation.

Approved	August 25, 1958
Amended	August 8, 1966
Amended	August 12, 1970
Amended	August 8, 1977
Amended	August 6, 1984
Amended	August 8, 1987
Amended	August 5, 1997
Amended	July 10, 2000
Amended	August 13, 2007
Amended	August 11, 2008
Amended	August 8, 2016
Amended	August 14, 2017

**MEMORANDUM OF AGREEMENT**  
**among the**  
**AMERICAN BAR ASSOCIATION, AMERICAN BAR ENDOWMENT**  
**and**  
**AMERICAN LAWYERS INSURANCE PLANS INC**

**WHEREAS**, the American Bar Association ("ABA"), the American Bar Endowment ("ABE"), and the American Lawyers Insurance Plans Inc ("ALIP" ), each a "Party" and collectively the "Parties", seek to identify a set of cooperative principles to guide their intersecting activities in the areas of insurance, charitable grants and fundraising by entry into this Memorandum of Agreement ("MOA"), effective August 1, 2017 ("Effective Date");

**WHEREAS**, the Parties seek to harmonize and de-conflict their respective insurance programs to eliminate marketing confusion and effect greater efficiencies;

**WHEREAS**, each of ABA and ABE are committing to take certain actions set forth below with respect to ABE's bylaws and amendments to ABE's bylaws;

**WHEREAS**, the Parties acknowledge that there is good and valuable consideration for the Parties' execution of this MOA and all necessary follow-on implementation agreements required to effect the purposes of the MOA;

**WHEREAS**, the Parties agree that they enter into this MOA in good faith and will use their best efforts to effectuate the intent and purposes of this MOA; and,

**NOW THEREFORE**, it is hereby agreed, by and between the Parties, as follows:

**BYLAWS**

1. Subject to and conditioned upon the Parties approving and executing this MOA and entering into definitive transaction agreements implementing the understandings outlined in the MOA by no later than August 1, 2017, ABA will agree to support the adoption of the bylaws proposed by the ABE's Board of Directors ("ABE Bylaws" Exhibit A), as generally outlined in sections 2 through 6 below, and will further support a motion to withdraw the ABE-member proposed Resolution of January 20, 2017 ("Resolution" Exhibit B) at the August 2017 ABE Annual Meeting. If the ABE amendments are adopted by the ABE membership, the proposed changes will take effect immediately after the ABE Annual Meeting. ABE agrees to properly notice its amendments.

2. The ABE Board shall be increased to a total of 14 members, which membership shall consist of the 10 existing ABE Directors, two additional members appointed by the ABA's Board of Governors, and two ABA *ex officio* members with full voting rights selected by the ABA President from among the ABA officers. The four new positions will be filled following adoption of these amendments in August 2017.
3. The terms of service for ABE Board members will be limited to two terms of five years each. All current directors' terms will expire on reaching the 10-year point; an exception will be made for any Board member currently in line to be President who otherwise will hit the 10-year cap before being able to serve (the only known exception that will extend the term of any ABE Board member under this provision is Howard Vogel).
4. The ABE Board will have no emeritus members.
5. Thereafter, ABE Board members will be nominated by a Nominating Committee made up of two ABE representatives appointed by the ABE Board of Directors and two ABA representatives appointed by the ABA Board of Governors, one of whom shall be the Chair of the ABA House of Delegates. The names of proposed ABE Board members nominated by the Nominating Committee will be considered for approval by the ABA Board of Governors (BOG) and the ABE Board. To the extent that the BOG and the ABE Board do not approve the proposed slate, the Nominating Committee will propose new candidates. In the event of deadlock, the ABE and the ABA may each put forth their respective candidates or slates of candidates for approval by the ABE membership.
6. The ABE Bylaws notice provisions will be amended to reflect that notice of ABE member meetings shall be given by publication in the ABA Journal, and that notice and the substance of proposed actions are also to be posted prominently on the ABE website and distributed by electronic means to the extent reasonably possible to all ABE members no later than five days before the meeting and no earlier than 40 days before the meeting.

#### ABE GRANTS

7. The maximum amount available to be granted by ABE to charitable entities other than ABA/FJE and ABF shall be \$300,000 or 4% of the total amount granted to ABA/FJE and ABF, whichever amount is less, unless otherwise agreed to by the American Bar Association Board of Governors and the American Bar Endowment Board of Directors.

8. Grants made by the ABE from the Legal Legacy Fund will be made equally to the ABA/FJE and the ABF.

**STUDY OF ABA AND ABE FUNDRAISING STRUCTURES**

9. Upon the execution of this MOA, ABE and ABA will form a Joint Committee of six members, three appointed by ABA and three by ABE, to evaluate and make recommendations regarding the possibility of aligning all of the fundraising and 501(c)(3) activities of the two organizations under a single leadership and management structure to maximize efficiencies and effectiveness (e.g., in order to minimize confusion in the marketplace as to which entities are involved in providing funds for the ABA's and ABE's activities). A key component of such a new structure would be to align the FJE as a fund within ABE. The Joint Committee shall provide its final report, in writing, no later than the 2018 Annual Meeting of the ABA.
10. The concept to be evaluated is the possible transfer of responsibility of the operations of the FJE to the ABE Board, with input and oversight from the ABA BOG and programmatic priorities being provided by the FJE Council.
11. The FJE Council would continue its work of seeking grants and outside funding from non-ABA sources.
12. The Joint Committee shall consider and recommend staffing and support services, the structure of this new arrangement, and the office and administrative requirements for the FJE and ABE staff and activities.
13. The ABE will continue to administer the Legal Legacy Fund, and will continue to provide grants from that Fund as set forth in section 8 above.

**INSURANCE**

14. ALIP shall, by August 1, 2017, retain USI to become its Broker of Record for all ALIP programs (except for any programs, policies, or contracts that require a registered securities representative to serve as the broker), to the extent consistent with legal obligations, and all policies shall thereafter go into runoff. The ALIP corporate entity shall remain with ABE through runoff to dissolution and will not engage in any other business except as authorized by the Steering Committee, and any such business shall be marketed only under the ABA Insurance banner. ALIP agrees it shall not compete with or otherwise operate to the detriment of the ABA affinity insurance program; and that, at the end of the five-year period during which ALIP receives Residuals (Section 22 below), it

will take all necessary actions required by law to effect its dissolution or to make such other revisions to the arrangement as needed to assure that any remaining residuals ultimately redound to the benefit of the ABA.

15. To the extent permitted by applicable law, ALIP shall agree to cooperate with ABA and USI in transferring ALIP's existing agency agreements with insurance carriers to USI to enable USI to serve as broker of record with respect to all insurance products offered by ALIP as of the Effective Date except for any products, policies, or contracts that require a registered securities representative to serve as the broker.
16. The current participating programs offered by ABE will continue to be overseen and controlled by ABE in coordination with ABA Insurance as facilitated by the Steering Committee. The proceeds of the participating programs will continue to flow to ABE and will be used for charitable programs which benefit ABA/FJE and the ABF and the Opportunity Grants.
17. A Steering Committee consisting of six members (2 from USI, 2 from ABA, and 2 from ABE) will be established.
18. ABE may continue to offer only its historic six lines of participating programs. The Steering Committee shall have responsibility for coordinating the annual marketing plans for ABA and ABE which will be reviewed and approved by a majority vote of the Steering Committee; provided, however, that ABE shall not be required to take any action that would be prohibited by applicable law, regulation or contractual obligation.
19. Each organization (ABA, ABE, ALIP) is responsible for paying its expenses to fund marketing programs and campaigns for their respective programs. Should any marketing activity be shared, each organization will pay its pro rata share of expense.
20. Residuals. "Residuals" means all commissions and fees received and actually collected by or on behalf of ALIP, specifically on a policy which existed with ALIP at the date of acquisition, less payments to co-brokers, sub-producers, external service providers, or any servicing expenses related to the ALIP programs incurred by USI as broker of record. "Residuals" shall not include any overrides or profit-sharing; interest on premiums on deposit; or contingent, bonus, excess, supplemental, non-standard, annually computed, non-specific volume based, or any other similar commissions or fees.
21. Receipt of Residuals. ABA agrees that ALIP shall receive all Residuals from the programs and policies USI acquires as Broker of Record for ALIP for a period of five years from the Effective Date of those Parties' agreement or as otherwise



may be defined by the parties. Other than such Residuals, ABE and ALIP shall have no rights with respect to any products sold under the ABA affinity insurance program, whether such sales are effected using the Expirations ("Expirations" defined in section 26 below) or otherwise. After this five-year period, USI, on behalf of ABA Insurance, will remain the Broker on ALIP insurance programs, with rights to its records, commissions, and other income. Other than as described herein, the proceeds of products now or in the future sold under the ABA Insurance Program will flow directly to the ABA.

22. The Parties acknowledge that the relationships between ABE, ALIP, ABA and USI are subject to and conditioned upon separate agreement(s) among those Parties as required. Usual and mutual indemnification provisions consistent with market practices shall be incorporated therein which, at minimum, indemnify the Parties for another Party's wrongful acts and omissions and indemnify USI for all acts or omissions occurring prior to USI becoming broker of record for ALIP programs.
23. ABE shall agree that, so long as ALIP has any issued and outstanding stock owned by ABE, ABE shall own 100% of such stock and will be responsible for all costs associated with maintaining ALIP as a corporate entity in good standing.
24. The ALIP programs shall be managed exclusively under the ABA Insurance banner by USI as Broker of Record unless otherwise determined by USI.
25. At the end of the five-year period during which ALIP is entitled to receive Residuals (Section 23), ALIP shall transfer to ABA, unless ABA declines such transfer or third party agreements prevent, (a) the Expirations with respect to all of ALIP's customer accounts and (b) all related books and records, to the full extent it has such information or materials. As used herein, "Expirations" means customer lists and the following information related to each of the customers comprising ALIP's customer accounts as of the Effective Date (as defined below): (i) the customer name, address and contact information; (ii) insurance products purchased from ALIP; (iii) the terms, conditions, premium rates and dates of expiration of such policies; (iv) customer purchasing preferences to the extent documented by ALIP; and (v) strategies for placing insurance for such customers to the extent documented by ALIP.
26. ALIP shall provide ABA with satisfactory evidence of title to the Expirations and all related books and records
27. To the extent they exist or are in the future created, ALIP shall provide ABA with satisfactory evidence of non-compete, confidentiality and non-solicitation agreements with ALIP's employees and individual licensed insurance producers, which agreements shall be transferable to and enforceable by ABA upon transfer.

**GENERAL PROVISIONS**

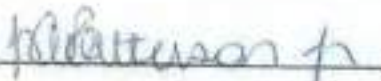
- 28. The provisions of this MOA are subject to the approval of the Parties' respective governing boards and by the execution by August 1, 2017, of all definitive transaction agreements necessary to effect the objectives of the MOA.
- 29. To the extent the terms of this MOA conflict with any prior agreements among the Parties, the terms of this MOA shall control.
- 30. **Governing Law and Choice of Forum.** This MOA is made and entered into within and shall be governed by, construed, interpreted and enforced in accordance with the laws of the State of Illinois, without regard to the principles of conflicts of laws. Any disputes that may arise out of or related to this Agreement shall be resolved through Binding Arbitration, other than an action requiring injunctive relief, under AAA Commercial Arbitration Rules in Chicago, Illinois.

**IN WITNESS WHEREOF, the Parties hereto have executed this Agreement.**

**AMERICAN BAR ASSOCIATION**

**AMERICAN BAR ENDOWMENT**

By: 

By: 

Printed Name: Linda A. Klein

Printed Name: J. Anthony Patterson, Jr.

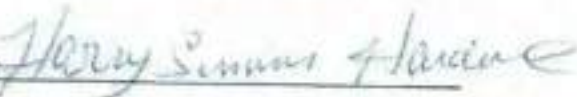
Title: President

Title: President

Date: 7/5/17

Date: 6.29.17

**AMERICAN LAWYERS INSURANCE PLANS INC**

By: 

Printed Name: Harry Simms Hardin III

Title: President

CONFIDENTIAL

Date: 6/29/17

**EXHIBIT A**  
**PROPOSED ABE BYLAW AMENDMENTS**

**ARTICLE I**  
**Members**

Section 1. The members of the Endowment shall be the persons who from time to time constitute the members in good standing of the American Bar Association. The Board of Directors may from time to time establish such other class or classes of members of the Endowment comprised of other persons deemed by the Board to have an appropriate relationship with the American Bar Association. In so acting, the Board shall prescribe the privileges thereof and shall retain the authority to discontinue any such call of members at any time.

Section 2. The annual meeting of the members, for the election of Directors and the transaction of such other business as may come before the meeting, shall be held during and in the same city as the annual meeting of the American Bar Association. Notice of the day, time and place of the annual meeting of the members shall be published in the American Bar Association Journal, posted on the website of the American Bar Endowment and, to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five or more than forty days before the date of the meeting.

Section 3. Special meetings of the members may be held at such time and place within or without the state of incorporation as the President or the Board of Directors may from time to time determine. Notice of the day, time and place of any such special meeting and the purpose or purposes for which the meeting is called shall be published in the American Bar Association, posted on the website of the American Bar Endowment and to the extent reasonably possible, transmitted by electronic means (including email or facsimile) to all members in good standing not less than five nor more than forty days before the date of the meeting.

Section 4. Fifty members shall constitute a quorum at any meeting. Voting by proxy shall not be permitted. Members must be present to vote; participation by conference telephone or other communication equipment shall not constitute attendance and will not be permitted.

Section 5. Any member who desires to bring an action or a resolution before the membership must first give written notice thereof to the Secretary. The Secretary shall provide the member with the form of a petition which must set forth the proposed action or resolution, be signed by fifty members of the Endowment, and be served upon the Secretary at least one hundred eighty days prior to the meeting of members at which the action or resolution is to be presented. The Secretary shall promptly transmit any such petition to the Board of Directors.

Section 6. No action shall be taken by the members except at the annual meeting or a duly called special meeting.

## ARTICLE II

### Directors

Section 1. The affairs of the Endowment shall be managed by a Board of fourteen Directors as follows: ten Directors elected by the members; two Directors appointed by the Board of Governors of the American Bar Association; and two *ex officio* Directors with full voting rights selected by the ABA President from among the ABA officers for the duration of their terms as officers. The terms of all Directors shall commence upon the adjournment of the annual meeting of the American Bar Association during which they are elected or appointed and until their successors shall have been elected and qualified. Directors elected by the members shall serve five-year terms and may not serve for more than two terms or ten years with the exception that any Director in office and currently in line to serve as President at the time these amended bylaws are adopted will be able to be elected and serve through the end of his or her term as President. To create a staggered rotation of Directors, two member-elected Directors shall be elected each year to five year terms by the members. The Directors in office at the time these amended bylaws are adopted will remain in office for their current terms and the Board shall implement a schedule for rotation off the Board to maintain the staggered election schedule. ABA appointed Directors shall be appointed to five-year terms and may serve a total of two terms or ten years. To create a staggered rotation, the ABA Board of Governors and President will initially appoint two directors, one to a four year term and one to a five year term. To be eligible to serve as a Director, a person must be a member of the Endowment.

Section 2. A majority of the whole Board of Directors shall constitute a quorum.-

Section 3. If any vacancy occurs among the elected Directors, the remaining Directors by majority vote shall elect an eligible person to fill such vacancy until the next meeting of members, at which meeting the members shall elect an eligible person for the remainder of the term in respect of which the vacancy occurred. If any vacancy occurs among the appointed Directors, the person or entity responsible for the appointment will appoint an eligible person to fill the vacancy for the remainder of the term.

Section 4. One regular meeting of the Board of Directors shall be held each year following the adjournment of the annual meeting of the members. Additional regular meetings may be established by the Board. Special meetings may be held upon the call of the President, the Vice President, or any three Directors. Notice of the time and place of each meeting of the Board shall be sent by mail or by electronic means to each Director not less than five days before such meeting is to be held. Any Director may waive notice of any meeting. Any meeting, however called, for which there is a Waiver of Notice signed by all of the Directors, shall be deemed a valid meeting. Any action which is required to be taken or which may be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all Directors.

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Section 5. The Board of Directors shall have an Executive Committee, consisting of the President, Vice President, Treasurer and Secretary of the Endowment, which except as may otherwise be provided in the Illinois General Not for Profit Corporation Act, shall have and exercise the authority of the Board in the management of the Endowment during intervals between meetings of the Board. The minutes of all proceedings of the Executive Committee shall be recorded in writing by the Secretary and shall be promptly served upon all Directors.

Section 6. The Nominating Committee shall consist of four members serving for annual terms ending at the conclusion of the ABE Annual meeting, two appointed by the Board of Directors of the ABE and two appointed by the Board of Governors of the ABA, one of whom will be the Chair of the House of Delegates of the American Bar Association. The Nominating Committee will identify potential candidates to serve as elected Directors and submit those names to the ABE members, subject to the prior approval of the Board of Governors of the ABA and the Board of the ABE. If the Board of Governors and the ABE Board do not approve the recommended candidates, the Nominating Committee will identify and propose different candidates. If the Board of Governors and the ABE Board still do not approve the Nominating Committee's recommendation, the Board of Governors and the ABE Board each shall identify and submit to the ABE members the names of potential candidates for election.

Section 7. Other committees may be established by resolution, members of each committee shall be appointed by the President. Any committee member may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Endowment shall be served by such removal.

### **ARTICLE III**

#### **Officers**

Section 1. The officers shall consist of a President, a Vice President, a Secretary, and a Treasurer, who shall be elected annually by the Board of Directors and shall hold office for the term of one year commencing upon the adjournment of the annual meeting of the American Bar Association during which they are elected and until their successors shall have been elected and qualified. Only Directors may be elected or serve as officers. All officers authorized to sign checks or withdraw funds shall furnish a fiduciary bond in such amount as the Board may determine at the expense of the Endowment.

Section 2. The duties of such officers shall be such as usually attach to such offices, and in addition thereto, such further duties as shall be designated from time to time by the Board of Directors.

Section 3. The Board of Directors may appoint assistants to the officers who serve at the pleasure of the Board and whose duties shall be designated from time to time by the officer being assisted or by the Board.

**ARTICLE IV  
Gifts, Donations and Requests**

Section 1. Gifts, donations and bequests may be given directly to the Endowment with directions that the principal or the income therefrom shall be used for certain specified purposes, or the principal of such gift, donation or bequest may be given to some other person, corporation or trustee with instructions that the income therefrom shall either be paid to the Endowment or disbursed in accordance with the instructions of the Board of Directors of the Endowment, provided, however, that the uses and purposes of all such gifts, donations and bequests, either of income or principal, shall be in accord with the purposes specified in the Articles of Incorporation.

Section 2. Unless some special purpose accompanies such gift, donation or bequest, the Board of Directors of the Endowment may disburse the income for the purpose specified in the Articles of Incorporation.

Section 3. Unless prohibited by the terms of the gift, donation or bequest, the Endowment may by vote of four-fifths of the Directors then in office expend the principal of any gift, donation or bequests, for any or all of the purposes specified in the Articles of Incorporation.

Section 4. The Board of Directors shall have the authority and power to establish a charitable gift fund within the Endowment as a means for members to make lifetime testamentary contributions to be used for charitable purposes in accord with the purposes of the Endowment specified in its Articles of Incorporation. The Board of Directors, in its discretion, may establish by resolution from time to time the terms and provisions for the organization and operation of the charitable gift fund. Notwithstanding Sections 2 and 3 of this Article IV, the income and principal of gifts, donations and bequests to such a charitable gift fund of the Endowment may be expended or disbursed by conditions established from time to time by the Board of Directors for such charitable gift fund. If such a charitable gift fund is created, the Board of Directors shall have the power to modify any restriction or condition on the distribution of funds from the charitable gift fund for any specified charitable purposes or to any specified organization if in the sole judgment of the Board of Directors (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or area served by the specified purpose or organization, and the Board of Directors shall have the power to transfer the assets of such charitable gift fund to a separate charitable trust or nonprofit corporation if, in its sole discretion, it determines such action to be in the best interests of the Endowment. The Board of Directors shall have the power to replace any participating trustee, custodian, or agent of the charitable gift fund for any reason, including but not limited to a breach of fiduciary duty under the laws of the State of Illinois or a failure to produce a reasonable return of net income over a reasonable period of time, as determined by the Board of Directors in accordance with applicable Treasury Regulations.

**ARTICLE V  
Staff and Agents**

Section 1. The Board of Directors in behalf of the Endowment may employ a staff to assist it in implementing its management of the affairs of the Endowment, and may retain the services of one or more agents to provide such additional services as the Board deems necessary or convenient in further implementation thereof, including, without limitation, the carrying on of its investment program, the purchase and sale of securities and investments, the custody of all securities and investments, and the auditing of the Endowment's accounts and records.

**ARTICLE VI  
Books of Account**

Section 1. All books and records of the Endowment may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time. The books of account shall be audited annually by Certified Public Accountants selected from time to time by the Board of Directors.

**ARTICLE VII  
Fiscal Year**

Section 1. The fiscal year of the Endowment shall begin on the first day of July in each year and end on the last day of June in the succeeding year.

**ARTICLE VIII  
Indemnification**

Section 1. The Directors, officers, employees and agents of the Endowment shall be indemnified by the Endowment to the fullest extent permitted by the Illinois General Not for Profit Corporation Act, without limitation upon any other right to indemnification to which any of them may otherwise be entitled, and the Board of Directors may authorize the purchase of insurance by the Endowment in behalf of any such Directors, officers, employees or agents against any liability asserted against any one or more of them in such capacity or arising from his, her or their status as such whether or not the Endowment would have the power to indemnify him or them against such liability under the provisions of the Act.

**ARTICLE IX  
Amendments to By-Laws**

Section 1. These By-Laws may be amended by a majority vote of the members present at any annual or special meeting of the members, provided notice of intention to amend and the substance of the proposed amendment is included in the notice of the meeting given in accordance with Article I



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Section 2 or Section 3 (as applicable), not less than five nor more than forty days before any such meeting.

Section 2. No amendment shall alter substantially the general objects set forth in the Articles of Incorporation.

## NOMINATING COMMITTEE OPERATING PROTOCOL FOR ABE OFFICERS

The following is an outline of the protocol for the nomination of American Bar Endowment Officers going forward. It recognizes that the tradition of ascending a long leadership ladder based on seniority on the Board is no longer viable given the shortened Board terms implemented by the Memorandum of Agreement (MOA) among the American Bar Association, the American Bar Endowment, and the American Lawyers Insurance Plans Inc., and the consequent changes to the ABE Bylaws in 2017. This protocol is meant to provide a new method of selecting ABE Officers, without being more elaborate than necessary. The following is not intended to amend or supplant the ABE Bylaws. To the extent that there is any conflict between this Protocol and the Bylaws, the Bylaws shall control.

The ABE Bylaws provide for election of officers annually, with no provision regarding whether an officer will serve more than one year in an office and no provision that any office's incumbent will be nominated or elected to any other office. However, we recognize the value of experience and an orderly rotation and succession among the officers. We propose an Officer Nominating Committee that will ordinarily honor a set of generally understood expectations.

Protocol for Nominating ABE Officers:

1. Recommendations for ABE Officers, including Secretary, Treasurer, Vice President and President will be made by three-person committee – the Officers' Nominating Committee.
2. The Nominating Committee will consist of the Immediate Past President, President, and Vice President. The Immediate Past President will serve as chair. If the President is seeking a second one (1) year term, then the third member of the Nominating Committee for the purpose of nominating the President, shall be chosen at random from among the members of the senior Board class – those in their second five (5) year term of service. If the Vice President is seeking reelection, then the third member of the Nominating Committee for the purpose of nominating the Vice President, shall be chosen at random from among the members of the junior Board class – those in their first five (5) year term of service.
3. All Officers will serve one (1) year terms.
4. The President will be limited to two (2) consecutive terms.
5. When the President has served two terms or is not seeking nomination for a second term, then the Nominating Committee will ordinarily nominate the Vice President for election as President.
6. To be considered for the office of Vice President, a Board member must have at least one year of experience on the Executive Committee of the Board. If more than one Board member meets this expectation for nomination as Vice President, then the Nominating Committee will work with those Board members to ascertain their interest and, in consultation and collaboration with the interested Board members, nominate one candidate.

7. In the normal course, Officer Nominations will be provided by the Officers' Nominating Committee to the ABE Board for consideration at its June meeting and for formal approval by the ABE Board approval at the next Annual Meeting.
8. By the preceding winter meeting (January/February), the Nominating Committee shall identify desired skills, expertise, and experience of potential Officer candidates and solicit input from ABE Boards Members. The ultimate selection of an individual(s) for nomination will be the decision of the Officers' Nominating Committee.
9. The Officers' Nominating Committee collectively will develop a list of potential candidates thought to have the identified skills, experience and expertise. When a member of the Officers' Nominating Committee suggests a nominee, they will have first confirmed with that nominee willingness and availability to serve if ultimately selected. Any discussion with prospective nominees must be done without any promises being made to the nominee by the person suggesting the nomination that she/he will be selected. If requested, current CVs can be distributed to members of the Nominating Committee.
10. Following the winter meeting the Officers' Nominating Committee will meet by phone or otherwise to review potential candidates and discuss qualifications, skills, experiences, expertise and the needs of the ABE.
11. Before the June meeting, the Nominating Committee shall vote on potential candidates to nominate (seeking a consensus).

**AMERICAN BAR ENDOWMENT  
2023-2024 BOARD OF DIRECTORS  
BUSINESS CONTACT LIST**

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2023-2024 BOARD OF DIRECTORS  
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# AMERICAN BAR ENDOWMENT 2023-2024 BOARD OF DIRECTORS BUSINESS CONTACT LIST

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*Updated 8/10/23*

**AMERICAN BAR ENDOWMENT  
2022-2023 BOARD OF DIRECTORS**

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**AMERICAN BAR ENDOWMENT  
2023-2024 BOARD OF DIRECTORS  
COMMITTEES, LIAISONS, AND ADVISORS**

**Executive Committee**

Howard H. Vogel, Chair  
Hon. Lora J. Livingston, Vice Chair  
Hilarie Bass  
Tommy D. Preston, Jr.

**Nominating Committee**

Howard H. Vogel, Chair  
Hon. Lora J. Livingston  
Palmer Gene Vance II (HOD Chair)  
TBD

**Communications Committee**

Tommy D. Preston, Jr., Chair  
Tracy A. Giles, Vice Chair  
Deborah Enix-Ross  
Frank Langrock  
Roberta D. Liebenberg  
Patricia Lee Refo

**ADVISORS AND LIAISONS**

**ALIP**

Hon. Lee S. Edmon

**A-E-F-C Pension Plan**

Randall D. Noel

**Finance Committee**

Michelle A. Behnke, Chair  
Hilarie Bass, Vice Chair  
Michael E. Flowers  
Tracy A. Giles  
Randall D. Noel  
Kevin L. Shepherd

**Young Lawyers Division**

Josephine M. Bahn  
Tamara Nash

**Grants Committee**

Hon. Lora J. Livingston, Chair  
Patricia Lee Refo, Vice Chair  
Robert M. Carlson  
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Kevin L. Shepherd

**Insurance Committee**

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Randall D. Noel, Vice Chair  
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**Strategic Planning**

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Tommy D. Preston, Jr.

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Updated 8/22/22



**AMERICAN LAWYERS INSURANCE PLANS, INC.  
2023 – 2024 BOARD OF DIRECTORS  
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Updated 1/20/2023

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**ABE  
STAFF DIRECTORY**

<b>TITLE</b>	<b>NAME</b>	<b>TELEPHONE #</b>	<b>E-MAIL ADDRESS</b>
<b>ABE Executive Director</b>	HILL, Dana		<a href="mailto:dhill@abenet.org">dhill@abenet.org</a>
Executive Assistant	EISEN, Izzy	988-6402	<a href="mailto:ieisen@abenet.org">ieisen@abenet.org</a>
Communications Project Mgr.	CODY, ABBY	988-6409	<a href="mailto:acody@abenet.org">acody@abenet.org</a>
Compliance Manager	PETERSEN, Pam	988-6404	<a href="mailto:pampetersen@abenet.org">pampetersen@abenet.org</a>
IT Manager	WOLTERINK, Dan	988-6668	<a href="mailto:dwolterink@abenet.org">dwolterink@abenet.org</a>
Office Services/Information Services	WILLIAMS, Cheryl	988-6412	<a href="mailto:cwilliams@abenet.org">cwilliams@abenet.org</a>
<b>Accounting</b>			
Senior Accountant	TENEMAZA, Maria	988-6432	<a href="mailto:mtenemaza@abenet.org">mtenemaza@abenet.org</a>
<b>Ins. Administration Manager</b>	CZARNY, Bonnie	988-6416	<a href="mailto:bczarny@abenet.org">bczarny@abenet.org</a>
ABE Insurance Plan Specialist	STUBBS, Charlene	988-6419	<a href="mailto:cdstubbs@abenet.org">cdstubbs@abenet.org</a>

**PRIVACY NOTICE**

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**Updated 1/26/2024**

# FUTURE MEETINGS

## ABA BOARD OF DIRECTORS MEETINGS

Feb. 5 – Feb. 7, 2024

June 12 – June 15, 2024

Oct. 27-30 *tentative*

21c Museum Hotel

The Charleston Place

Louisville, KY

Charleston, SC

Santa Barbara, CA or

Palm Springs, FL

## ABA ANNUAL MEETINGS

July 31 – August 6, 2024

August 6 – 12, 2025

Chicago, IL

Toronto, ON

## ABA MIDYEAR MEETINGS

Jan. 31 – Feb. 5, 2024

Louisville, KY

## ABA BOARD OF GOVERNORS MEETINGS

February 1 – 2, 2024

June 6 – 7, 2024

August 1 – 2, 2024

Louisville, KY

Washington D.C.

Chicago, IL



**AMERICAN BAR ENDOWMENT  
BOARD OF DIRECTORS  
EXPENSE REPORT**

321 NORTH CLARK STREET  
CHICAGO, IL 60654-7648  
PHONE: 312-988-6400  
TOLL-FREE: 800-621-8981  
FACSIMILE: 312-988-6401

<b>NAME:</b>		<b>PERIOD COVERED FROM:</b>			
<b>DESTINATION:</b>		<b>PURPOSE:</b>			
<b>EXPENSES: (Include both out-of-pocket and charged items)</b>					
ITEM	DESCRIPTION	Date:	Date:	Date:	TOTAL
1	Air & Rail Transportation				
2	To and From Terminals				
3	Automobile Mileage				
4	Parking & Tolls				
5	Lodging (Room & Tax)				
6	Breakfast				
7	Lunch				
8	Dinner				
9	Taxi – Local				
10	Telephone				
11	Tips (not included elsewhere)				
12	Other (Itemize)				
13					
14					
<b>TOTAL EXPENSES</b>					

The expenses above are business expenses. Personal expenses are not included.

<b>SIGNED:</b>		<b>DATE:</b>	
<b>APPROVED:</b>		<b>DATE:</b>	

Hilarie Bass, Treasurer:  Pay as is  Pay as amended  Pay by exception \$ \_\_\_\_\_  
 Staff Recommendation:  Pay as is  Pay as amended  Pay by exception \$ \_\_\_\_\_

**MAKE CHECK PAYABLE TO:**

**NAME:** \_\_\_\_\_  
**ADDRESS:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

<b>For Accounting Use Only</b>	
<b>Adjustments, if any:</b>	
<b>Total Reimbursement:</b>	
<b>Charge Account #:</b>	

**Mail Completed Report To:**

**MICHAEL MARMEL**  
 ABE/ABI ACCOUNTING DEPARTMENT  
 AMERICAN BAR ENDOWMENT  
 321 N. CLARK STREET, 14<sup>TH</sup> FLOOR  
 CHICAGO, IL 60654-7648

## AMERICAN BAR ENDOWMENT POLICY FOR REIMBURSEMENT OF EXPENSES OF DIRECTORS AND DIRECTORS EMERITI\*

A. **Reimbursable Expenses:** It shall be the policy of the Endowment to reimburse its Directors and Directors Emeriti for necessary, actual and reasonable expenses incurred in connection with the performance of their duties. Under no circumstances will reimbursement be made if the request is submitted more than six months after the end of the fiscal year during which the expenses were incurred. Reimbursement of expenses shall be made in accordance with the following guidelines:

1. **Office Expenses:** Office expenses incurred in the furtherance of ABE's work, such as copying, postage, long distance fax and phone charges, are reimbursable. The President shall have the authority to approve other necessary office expenses, if deemed appropriate.

2. **Meetings of the Board of Directors and its Committees** (except meetings held in conjunction with ABA Annual and Mid-Year Meetings) and travel directed by the President on business of the Endowment:

a. Transportation: Reimbursement is made for long-distance transportation at coach or economy fares, and local transportation between terminals and hotel, home or office.

(1) Common Carriers: Reimbursement shall not exceed the lowest available rate for coach airfare. Members of the Board who buy an advance purchase ticket in order to save Endowment funds, and are then unable to travel because of unforeseen circumstances, will be reimbursed for such tickets to encourage preplanning and cost saving by advance purchase. No reimbursement may be made for tickets acquired through frequent flyer programs.

(2) Personal automobiles: The rate for reimbursement for the use of a private automobile shall be the amount authorized by the Internal Revenue Service for a business expense deduction under its rules at the time such expense is incurred. When air transportation is not used for long-distance travel, no reimbursement will be made for lodging and meals en route. The total reimbursement for mileage cannot exceed the cost of the air travel as outlined in 2a(1) above.

(3) Other related expenses: Transportation to and from air and rail terminals, parking fees and highway toll charges shall be reimbursed in the amount actually incurred.

b. Lodging and Meals: Expenses shall be reimbursed, except for group meals. If a Board member chooses not to participate in a group meal, he/she will not be reimbursed for a separate meal. Expenses for meals not provided by ABE will be reimbursable up to a maximum of \$100.00 per day.

c. Gratuities: Expenses incurred for services in connection with transportation, lodging and meals are reimbursable.

3. **American Bar Association Annual and Mid-Year Meetings:**

a. Transportation: No reimbursement will be made for air transportation or local transportation expenses incurred related to attendance at a Board meeting that occurs during an Annual Meeting. Travel-related expenses as defined in paragraph 2 above related to attendance at a Board meeting occurring during a Mid-Year Meeting will be reimbursed, if such expense is not reimbursable to a Director or a Director Emeritus by the ABA or another entity.

b. Lodging, meals and gratuities: Expenses incurred in connection with a meeting of the Board or its Committees, when such Committee meeting is not held on the same day as a Board meeting for which reimbursement is authorized, shall be reimbursed but not to exceed two days. Given the variety of room rates available, the rate for such reimbursement shall not be more than the highest Standard rate at an ABA-approved hotel.

c. The ABE President shall be reimbursed for the cost of a one-bedroom suite for up to a total of five (5) days in connection with the Annual and Mid-Year Meetings. At least two days must be allocated to each of the two meetings; the remaining allotment of up to one day can be allocated between the two meetings at the President's discretion.

B. **Non-reimbursable Expenses:** The following expenses shall not be reimbursed:

1. Any expense, including lodging and meals, that may be incurred either prior to or after the scheduled dates of meetings of the Board or its Committees, except to the extent that a transportation schedule may necessitate an earlier arrival or later departure.

2. Travel and expenses incurred by a spouse except for those incurred by the Vice President and the Assistant Vice President for Board Activities in furtherance of their duties and as defined in the Policy for the Vice President and Assistant Vice President for Board Activities.

3. Automobile rental expenses incurred for personal convenience.

4. Personal expenses, such as those incurred for recreational activities, valet services or beverages.

**Reimbursement Request Procedures:**

1. A request for reimbursement shall be made in writing on an Expense Report form issued by the ABE and shall be submitted to the Treasurer for approval, except that expenses of the Treasurer shall be submitted to the President for approval.

2. Supporting receipts: Any expense that exceeds \$25.00 must be supported by a receipt attached to the Expense Report.

D. **Policy Interpretation:** Questions concerning this policy statement shall be referred to the Treasurer for interpretation.

\*This expense reimbursement policy does not apply to Ex-Officio Directors.

**Supplemental Policy for Expense Reimbursement  
for ABE/ALIP Elected Directors  
and YLD Liaison  
(Revised 9/13/2019)**

In addition to the ABE/ALIP Policy for Reimbursement of Expenses of Directors as set out on the back of ABE/ALIP Expense Report forms, the following is offered as further guidance.

**Meals and Accommodations at June and November Board Meetings**

If the Endowment sponsors a meal during the November and June Board meetings and the Board member and/or spouse/guest chooses not to participate, the Board member will not be reimbursed for separate meals. Expenses for meals not already provided by ABE/ALIP will be reimbursable up to a maximum of \$100.00 per day. If several Board members have dinner together and one Board member pays the bill, a list of the names of those attending the dinner must accompany a reimbursement request.

During these meetings, Board members should provide staff with as much advance notice as possible if either they and/or their spouse/guest will not be attending a group meal, function or tour. Because of typical guarantees, ABE must pay for projected attendance, unless advance notice is provided.

Arrangements for the accommodations and group meal functions at these two meetings are handled by and billed to ABE. Board members are responsible for personal and incidental expenses when they check out.

**Site Inspections for Future Board Members**

It is expected that the President and Vice President will participate in site inspections for the November and June Board meetings that will take place during the year(s) that they hold the office of President. Their spouses/designees may also be involved in these inspections. (For expense reimbursement policies regarding spouse/designee participation in site visits, see the “Expense Reimbursement Policy for the Assistant Vice President for Board Activities and the Vice President for Board Activities.”) Reimbursement for expenses incurred during these site inspections are limited to the actual costs incurred, but no more than the cost of coach airfare in the event of air travel (or the use of a private automobile in the amount authorized by the IRS for a business expense deduction at the time such expense is incurred; the total reimbursement for mileage cannot exceed the cost of air travel to and from the same destination), transportation to and from airports, hotel room expenses for two nights per site inspection, and meals not to exceed \$100 per day for no more than three days per site inspection. Expenses will be reimbursed for only one visit to each site.

### **Board Member's Spouse/Guest Expenses**

Travel and other expenses incurred by a spouse/guest of a Board member are NOT reimbursable costs (except those incurred by the Vice President and Assistant Vice President for Board Activities as outlined in the Expense Reimbursement Policy for the Vice President and the Assistant Vice President for Board Activities. Meal and tour expenses are not covered for spouses/guests unless they are participating in a group function (defined as an event that includes the entire Board, staff, spouses and guests). Restaurant bills for the Board member and his or her spouse/guest should be divided by two as reimbursement is allowed only for the Board member.

Separate breakfasts, lunches and tours, which are set up for spouses/guests when the Board members are meeting, are not covered expenses. If a spouse/guest signs up for one of these functions, the Board member will be responsible for reimbursing ABE/ALIP for any costs the organization incurs for that Board member's spouse/guest participation or failure to participate.

The charge for all spouse/guest functions will be listed on the registration forms. To avoid the expense of billing a Board member for these costs, the charges will be deducted from the Board member's expense reimbursement for the respective meeting. If the charges incurred for any spouse/guest exceed what is due on the Board member's request for reimbursement, the Board member must reimburse ABE/ALIP for the balance due within 90 days of the Board meeting.

### **Hotel Accommodations During the Mid-year and Annual ABA Meetings**

As many room rates are offered to ABA members attending ABA Midyear and Annual Meetings, to the extent that Board members can be reimbursed for hotel stays during these meetings, the reimbursable room rate shall be no more than the highest Standard rate at an ABA-approved hotel.

### **Transportation Expenses**

Airline upgrades are not reimbursable. Reimbursement for airfare shall not exceed the lowest available rate for coach fare. To ensure the best rates, tickets should be purchased a minimum of two weeks prior to the dates of your travel. Tickets purchased within two weeks of departure will be reimbursed only up to the amount the ticket would have cost had the ticket been purchased more than two weeks in advance. (Such reimbursement will not exceed 20% of the ticket price available on the day the reimbursement request is received by ABE.)

Members of the Board who purchase an advance ticket in order to save the organization money and have subsequently been unable to travel or have had to change travel plans because of unforeseen circumstances, can be reimbursed for such tickets or change fees. The dates of ABE/ALIP Board meetings are announced more than a year in advance, to assist in planning. Board members may be reimbursed for the expense of airline baggage fees for one piece of luggage per flight.



## Expense Reimbursement

For pilots who fly themselves to the meeting or for those Board members using corporate jets, ABE will reimburse for the lowest fare (14-day advance purchase and nonrefundable) on a common carrier by using the same calculation as outlined in the first paragraph above under Transportation Expenses.

Transportation to and from air and rail terminals is reimbursable except in connection with the Annual Meeting. These expenses may include the use of a full size rental car, if it is comparable to the cost of other forms of transportation; however, rental car expenses outside that scope (to include upgrades to a luxury car, etc.), as well as the cost of parking the car at the hotel, will be considered rental for the Board member's personal convenience and not reimbursable. However, if flying into a different city, renting a car and driving a longer distance to the meeting provides a net savings over flying into a closer airport, an exception will be granted. Documentation of the difference in airfares must be provided with the submitted expense report.

Prior to a June or November Board Meeting, one or more spouses may be asked to and agree to act as drivers to and from planned spouse events held during the meeting. In that event, the spouse should be added in the car rental agreement as an additional driver. The cost of adding an additional driver under these circumstances is reimbursable.

Additionally, the loss damage and liability insurance coverage offered by car rental agencies is not a reimbursable expense. It is an optional charge and unnecessary if the Board member's personal car insurance covers car rentals. However, if a Board member does not have car insurance or has car insurance that would not cover the Board member at the location of the meeting (i.e., outside of the U.S.), two days of coverage are reimbursable.

**It is important to remember that the transportation policies for meetings held in conjunction with the ABA Annual and Midyear Meetings are different from what is outlined above. Transportation expenses (airfare, airport transportation, taxis, mileage, parking etc.) are not reimbursed for these meetings except for meetings held during the Midyear when such expenses are not reimbursable by the ABA or another entity.**

### **Submission of Reimbursement Requests**

Expense reimbursement requests must be submitted within three months after the end of the fiscal year in which incurred. ABE's fiscal year is July 1 to June 30. Because the ABE/ALIP fiscal year ends on June 30, expense reports must be submitted as soon as possible after the June meeting in order to close the books in preparation for the annual audit. No expenses incurred for any given fiscal year will be reimbursed after September 30<sup>th</sup> of the succeeding fiscal year.

Completed expense reports should be sent to the attention of ABE's Accounting Manager at the ABE headquarters building in Chicago. The Treasurer will submit his or her expense report to the President. All requests for reimbursement must be reviewed and approved by the Treasurer or President, and the ABE Accounting Manager for compliance with these policies. Any questions concerning the request for reimbursement form or the policies themselves, should be directed to the Treasurer, Accounting Manager, or the Executive Director. ABE's auditors closely monitor expenses for compliance to the written policy.



## **AMERICAN BAR ENDOWMENT**

### **CONFLICT OF INTEREST POLICY**

(Amended and Restated as of August 5, 2022)

The American Bar Endowment (the “ABE”) is committed to integrity and fairness in the conduct of all of its activities. All decisions of the ABE’s Directors, officers, committee members, and employees, whether or not compensated by the ABE (each, a “Covered Person” and, collectively, the “Covered Persons”), shall be made solely on the basis of a desire to promote the best interests of the ABE. From time to time, potential conflicts of interest or the appearance of conflicts of interest inevitably will arise. The ABE will deal with such conflicts of interest openly and in accordance with the following principles and procedures.

The Board of Directors of the ABE (the “Board of Directors” or the “Board”) recognizes and acknowledges that the Covered Persons have significant professional, business, and personal interests and relationships. The Board has determined that the most appropriate manner in which to address actual, potential, or apparent conflicts of interest is initially through liberal disclosure of any relationship or interest which might result in such a conflict. Disclosure under this Conflict of Interest Policy (this “Policy”) should not be construed as creating a presumption of impropriety or as automatically precluding someone from participating in Board activities or decision-making.

This Policy is intended to supplement, but not replace, any federal or state laws governing conflicts of interest applicable to not-for-profit organizations that are described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and are further classified as public charities within the meaning of Section 509(a) of the Code. This Policy may be amended from time to time by the Board of Directors.

#### **CONFLICTS OF INTEREST**

Each Covered Person shall disclose to the Board of Directors all conflicts of interest, including, but not limited to, the following:

- Service as a Board member, trustee, officer, or employee of, or a Material Financial Interest (as defined below) in, an organization with which the ABE conducts or may conduct a financial or business transaction;
- Similar service with or a Material Financial Interest in any such organization by any Family Member (as defined below) of such Covered Person;

- Any affiliation (as an officer, director, trustee, employee, or partner) with, or any Material Financial Interest in, any organization that currently receives or applies to receive funds, services, or other support from the ABE or from which the ABE receives or applies to receive funds, services, or other support, or whose products or services are in competition with or serving the same community as those of the ABE, or any such similar affiliation of any Family Member of such Covered Person;
- A relationship as a Family Member of any individual who (a) currently conducts or may conduct a financial or business transaction with the ABE, (b) receives or applies to receive funds, services, or other support from the ABE, or (c) furnishes or may furnish services to the ABE for compensation;
- Any other situation that may prevent or appear to prevent the Covered Person from acting impartially and in the best interests of the ABE.

For purposes of the foregoing, potentially conflicting interests may relate to the ABE's mission and programs (e.g., grants) or its operations (e.g., contracts with third parties).

With respect to any Covered Person who holds a position with a law firm, the Covered Person is not expected to disclose any relationships with those for whom their law firm provides legal services, provided that the Covered Person does not participate in decisions concerning those services.

Covered Persons should disclose interests or relationships held by others that may impact their decision-making to the extent they are aware of such information. Covered Persons are under no obligation to determine the nature of every interest or relationship held by a Family Member if they have no independent knowledge of such interest or relationship.

## **DEFINITIONS**

The term "Family Member" means an individual's spouse, domestic partner, parent, in-law, sibling, ancestor, child, grandchild, great grandchild, immediate household member, or the spouse of the individual's sibling, child, grandchild, great grandchild, or other close personal relationship (such as dating or live-in relationships).

The term "Material Financial Interest" means ownership of 10% or more of the equity interest in a corporation, profits interest in a partnership, or beneficial interest in a trust.

## **DISCLOSURE**

### Disclosure Statement and Continuing Obligation

A *Conflict of Interest Disclosure Statement* in the form attached to this Policy as Exhibit A shall be submitted to the Executive Director annually by each Covered Person and by any other person determined by the Executive Director to be subject to this Policy. The completed *Conflict of Interest Disclosure Statements* will be shared with the Board of Directors and will be kept on file at the ABE for a period of two (2) years; they shall be kept confidential by the Board of Directors and shall be disclosed only upon the authority of the ABE's President.

Any individual who has an actual or potential conflict of interest as to any proposed grant, transaction, or other matter shall disclose the conflict of interest to the Board of Directors or relevant committee before any deliberations on the matter. All Covered Persons are under a continuing obligation to make full disclosure of all situations involving either actual or potential conflicts of interest whenever such situations may arise. Any such disclosure shall contain sufficient detail to apprise the Board of Directors or relevant committee of the Covered Person's potential bias or interest in the matter. When in doubt as to the existence of a conflict of interest, the individuals should err on the side of disclosure.

Attached hereto as Exhibit B is a list of service providers and ABE contractors to assist the Covered Persons in identifying potential conflicts.

### Special Situations

Individuals may be confronted with special situations that are not specifically addressed by this Policy. In any individual has a question as to the proper course of action, the matter should be disclosed to the Executive Director or to the Board of Directors. The Executive Director or the Board of Directors, as the case may be, shall determine the appropriate handling of the special situation.

### Potential Failure to Disclose

If the Board of Directors or relevant committee has reasonable cause to believe that a Covered Person has failed to disclose actual or possible conflicts of interest, it shall inform such person of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Covered Person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that such person has in fact intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including, if necessary, action to remove the affected Covered Person from his or her position.

### Predetermined Conflicts of Interest

For purposes of this Policy, due to the potential for competitive activities between the ABE and the American Bar Association, any Covered Person who also serves as an officer, director, trustee, or employee of the American Bar Association (each, a "Dual Interests Individual") automatically shall be deemed to have a real or potential conflict of interest with respect to (a) the development, discussion, and approval of the ABE's strategic plan, and (b) the development, discussion, and approval of existing and potential lines of business for the ABE (each, a "Strategic Discussion"). Each Dual Interests Individual shall leave the room during the discussion, debate, and vote (and abstain from any vote) of any Strategic Discussion. Additionally, each Dual Interests Individual automatically shall be deemed excused from the portion of all future meetings of the Board of Directors related to any Strategic Discussion; provided, however, that the Board of Directors shall, whenever practicable, provide advance notice to each Dual Interests Individual of the scheduling of any discussion from which the Dual Interests Individual shall be excused.

## **DEALING WITH CONFLICTS**

Once an actual or potential conflict of interest has been identified (e.g., through an individual's disclosure, vote of the Board of Directors, or a matter deemed a conflict for purposes of this Policy), the Board of Directors or relevant committee of disinterested persons (the "Authorized Body"), as the case may be, shall determine whether a conflict of interest exists and, if so, shall determine the proper course of action to address the conflict of interest, including following the protocols set forth below. If each of the other Directors or committee members, as the case may be, has a conflict of interest with respect to a matter to be considered, then the Board of Directors shall develop an appropriate method of addressing the conflict of interest.

Unless otherwise determined by the Board of Directors, after having fully disclosed an actual or potential conflict of interest, the individual who has the actual or potential conflict of interest shall:

- provide information requested by the Authorized Body with respect to the conflict of interest;
- leave the room during the discussion and debate on the matter;
- leave the room during the vote on the matter;
- abstain from any vote on the matter; and
- be deemed excused from the portion of all future meetings of the Board of Directors or the Authorized Body, as the case may be, related to the matter.

The minutes of meetings of the Authorized Body shall (1) state the name of each individual who disclosed, or otherwise was found to have, a conflict of interest, (2) describe any actions taken by the Authorized Body in response, and (3) note the abstention of the individual or individuals with the conflict of interest from the vote on the matter involved (if applicable).

At all times, each individual affiliated with the ABE shall act in a manner consistent with his or her fiduciary obligations to the ABE and shall exercise particular care that no detriment (or appearance of a detriment) to the interests of the ABE may result from a conflict between these interests and any personal interests the individual may have.

Any Covered Person who discloses or is determined to have a conflict of interest under this Policy shall be deemed to have waived their right to obtain any ABE attorney-client privileged information with respect to the matter with which they have a conflict.

## **NO RETURN BENEFIT**

No Covered Person shall knowingly accept any material gift of goods or services when it could reasonably be inferred that the gift was intended to influence an official action in the individual's position with the ABE.

## **AVOIDANCE OF EXCESS BENEFIT TRANSACTIONS**

The ABE shall avoid any transaction that results in an “excess benefit transaction” within the meaning of section 4958 of the Code and the Treasury Regulations thereunder. For example, the ABE shall take steps to review and approve compensation paid to its directors, officers, key employees, and other persons with substantial influence over the affairs of the ABE pursuant to the “rebuttable presumption” procedures set forth in the Treasury Regulations under section 4958 of the Code.

A voting member of the Board of Directors who receives compensation, directly or indirectly, from ABE for services rendered as an officer or employee of, or professional advisor to, ABE is precluded from voting on matters pertaining to that member's compensation.

## **PERIODIC REVIEWS**

To ensure that ABE operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable and are the results of arm's-length bargaining.
2. Whether the Conflict of Interest Policy has been followed or is in need of revision.

In conducting the periodic reviews provided for above, ABE may, but need not, use outside advisors who are not interested persons and who are selected by the Board of Directors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted. The Executive Committee shall have the authority to amend the form and instructions from time to time after seeking the advice of counsel.

EXHIBIT A

CONFIDENTIAL

AMERICAN BAR ENDOWMENT  
Conflict of Interest Annual Disclosure Statement

To: Executive Director, American Bar Endowment

*As part of its Conflict of Interest Policy (the "Policy"), the American Bar Endowment (the "ABE") requires that its directors, officers, committee members, advisors, and employees disclose any actual or potential conflicts of interest. This disclosure statement assists in the implementation of that requirement.*

Your name: \_\_\_\_\_

Capacity (please check the appropriate box below):

- Director
- Officer
- Committee Member
- Advisor
- Employee
- Other (please describe: \_\_\_\_\_)

**DISCLOSURE**

1. These are, to the best of my knowledge, the names of all corporations, companies, firms, or other business enterprises (a) with which I am affiliated (or with which any Family Member, as defined below, is affiliated), as an employee, officer, director, trustee, partner, or similar position; or (b) in which I (or any Family Member) have an ownership interest as a 10% or more owner, in each case if such entity is likely to do business with the ABE. (If none, please check here \_\_\_\_.)

<u>Name of Business or Organization</u>	<u>Position or Relationship</u>
_____	_____
_____	_____
_____	_____
_____	_____

2. These are, to the best of my knowledge, the names of all not-for-profit, non-governmental, or governmental organizations with which I am affiliated (or with which any Family Member is affiliated) as an employee, officer, director, trustee, or member of an advisory board or committee. (If none, please check here \_\_\_\_.)

<u>Name of Organization</u>	<u>Position or Relationship</u>
_____	_____
_____	_____
_____	_____

3. I have set forth below any information concerning myself or any Family Member not requested in the preceding paragraphs that I feel may present an actual or potential conflict of interest. (If none, please check here \_\_\_\_.)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\* The term "Family Member" has the meaning set forth in the Policy.

4. Charitable Registrations and Solicitation

- a. Had your registration to solicit charitable contributions denied or revoked by a governmental authority? Yes  No
- b. Been the subject of any administrative, civil or criminal proceeding regarding any charitable contribution solicitation or registration? Yes  No
- c. Entered into a voluntary agreement of compliance or discontinuance regarding charitable solicitations with any government agency or in a case before a court or administrative agency? Yes  No
- d. Applied for registration or exemption from charitable contribution registration (that is not yet completed or has not yet been obtained)? Yes  No
- e. Solicited charitable contributions or funds in any state on behalf of ABE?  
Yes  No

If the answer to any of these is yes, attach a detailed explanation. Also attach a copy of any orders, judgments, consent agreements or other documents, which show any allegations against you and the final disposition of the matter.

If yes to Item b, also give name and address of the court, nature of the offense, and month and year of the conviction.



**CERTIFICATION**

I have read and understand the ABE's Conflict of Interest Policy and agree to comply with it in good faith. I certify that I have completed the above disclosure statement fully and truthfully to the best of my knowledge, and I agree to promptly report to the Board of Directors any changes in the foregoing information as well as any possible conflict of interest that might develop before the completion of my next disclosure statement. I also acknowledge and agree that, in accordance with ABE's Conflict of Interest Policy, I waive my right to any ABE attorney-client privileged information regarding any matter with which I have disclosed or otherwise been determined to have a conflict of interest under the ABE's Conflict of Interest Policy.

---

Print Name

---

Signature

---

Date

## Exhibit B

### CONFIDENTIAL

#### List of Suppliers, Vendors and Fundraising Firms Paid Over \$5,000 in the 2022/2023 Fiscal Year or With Whom the ABE Has a Continuing Relationship

ABA Journal	IronShore (Misc. Professional Liability)
ABA Fund for Justice & Education	Gary Karlowicz
Action Mailing & Printing Solutions	Michele Karlowicz
AIG (United States Life)/Corebridge	Levine Leichtman Capital Partners, LP
Alliant Financial Institution Group	Marquette Associates, Inc.
Allied Universal Technology Services	Morgan Stanley (Prime Property Funds)
American Bar Association	New York Life Insurance Company
American Bar Foundation	The Northern Trust Company
AON Consulting, Inc.	Noventech, Inc.
Baird Funds	ODP Business Solutions, LLC
BMO Harris Bank N.A.	One Step
Pam Bronkema	Parametric
Fabienne Brooks	PIMCO
C3 Legal	Regal Business Machines, Inc.
Ceridian HCM, Inc.	Renaissance Administration LLC
CNA (Directors/Officers Liability, Crime Insurer)	RSM US LLP
Comcast	RSUI (Excess Directors/Officers Liability)
ComEd	Sass Advisors
Dodge & Cox	STOW Enterprises, Inc.
Garvey's Office Products	UPS
Goldman Sachs	Van Santen Studio
GoTo	Vanguard Archives
Grosvenor Institutional Partners, LP	WorldPay Merchant Services
Hines	Young Mayden LLC
	ZeisGroup