

Office of the City Clerk

City Hall 121 N. LaSalle St. Room 107 Chicago, IL 60602 www.chicityclerk.com

Legislation Text

File #: O2015-758, Version: 1

OFFICE OF THE MAYOR

CITY OF CHICAGO

RAHM EMANUEL MAYOR

January 21, 2015

TO THE HONORABLE, THE CITY COUNCIL OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the execution of Multi-Family Loan agreements.

Your favorable consideration of these ordinances will be appreciated.

Mayor

Very truly yours,

ORDINANCE

WHEREAS, the City of Chicago (the "City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, the City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Planning and Development ("DPD"); and

WHEREAS, as of October 1, 2002, the City issued \$10,775,000 of Multi-Family Housing Revenue Bonds, Series 2002 (Hilliard Homes - Phase 1 Development), and made a loan (the "Loan") of Multi-Family Program Funds in the original principal amount of \$1,425,779 to Hilliard Homes I Limited Partnership, an Illinois limited partnership (the "Borrower"), of which HHI Development Corporation, an Illinois corporation (of which Peter Holsten is the sole member) is the sole managing general partner, which Loan was secured by a Junior Mortgage, Security Agreement and Financing Statement (the "Junior Mortgage") for the purpose of financing a portion of the costs of rehabilitating (the "2002-04 Rehab") two historically significant buildings which contain a total of 327 affordable dwelling units (the "Hilliard I Buildings"); and

WHEREAS, the 2002-04 Rehab utilized financing from Midland Loan Services, Inc. in the original principal amount of \$4,388,000, which is secured by a Leasehold Deed of Trust (the "Senior Mortgage"); and

WHEREAS, the 2002-04 Rehab further utilized financing from Bank of America, N.A. in the original principal amount of \$10,800,000, which is secured by a Leasehold Deed of Trust (the "Second Mortgage"); and

WHEREAS, the 2002-2004 Rehab further utilized financing from the Chicago Housing Authority in the original principal amount of \$24,650,000, which is secured by a Senior Mortgage, Security Agreement and Financing Statement (the "Third Mortgage"); and

WHEREAS, the 2002-2004 Rehab further utilized financing from the Illinois Housing Development Authority in the original principal amount of \$750,000, which is secured by a Fourth Mortgage and Assignment of Rents and Leases (the "Fourth Mortgage"), and

WHEREAS, the 2002-2004 Rehab further utilized financing from Harris Bank Frankfort in the original principal amount of \$500,000, which is secured by a Subordinate Leasehold Mortgage, Assignment of Lease and Rents, Security Agreement and Financing Statement (the "Subordinate Sixth Mortgage"): and

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WHEREAS, the 2002-04 Rehab included preserving all the windows on the lower floors of the Hilliard I Buildings (the "Windows") pursuant to an agreement with the Illinois State Historic Preservation Office (the "IL SHPO"), and

WHEREAS, the Windows have deteriorated since the 2002-04 Rehab; and

WHEREAS, the IL SHPO has approved the replacement of the Windows with replicas designed to imitate the look of the originals (the "Window Replacement"); and

WHEREAS, the Borrower has requested financing from the City for the cost of the Window Replacement; and

WHEREAS, DPD has preliminarily reviewed and approved the making of a subordinate loan to Borrower in an amount not to exceed \$252,608 (the "Loan") to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the Property (as defined on Exhibit A hereto).

SECTION 4. This ordinance shall be effective as of the date of its passage and approval.

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EXHIBIT A

Hilliard Homes I Limited Partnership, an Illinois limited partnership (the "Borrower"), of which HHI Development Corporation, an Illinois corporation (of which Peter Holsten is the sole member) is the sole managing general partner, and of which Alliant Tax Credit XXII, G.P , Inc. a Florida corporation, is the sole administrative general partner, and of which certain other entities are limited partners

Replacement of certain historically significant windows in the Hilliard Buildings located at 2111 and 2031 S. Clark Street, Chicago (the "Property")

Source:

Amount

Term:

Interest:

Security."

Multi-Family Program Funds Not to exceed \$252,608 Not to exceed 42 years

Zero percent per annum Non-recourse loan;

Mortgage on the Property subordinate to (i) the liens of the Senior, Second, Third and Fourth Mortgages, (ii)

the lien of the Junior Mortgage, and (iii) the lien of the Subordinate Sixth Mortgage

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal na	me of the	Disclosing	Party	submitting	this EI	OS. Inclu	de d/b/a/	if appl	icable
11. 208 110.		_ 1501051115		2 00 0 11111 0 1112	,				

Hilliard Homes I Limited Partnership

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [H the Applicant
 - OR
- 2. [] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the
- 2. Applicant in which the Disclosing Party holds an interest:

OR

- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 1020 West Montrose

Chicago, Illinois 60613

- C. Telephone: 312-274-9137 Fax:^{312mm337m4592} Email: josephdunne@holstenchicago.com <mailto:josephdunne@holstenchicago.com>
- D. Name of contact person: Joseph Dunne
- E. Federal Employer Identification No. (if you have one):.
- F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Mailer is a contract being handled by the City's Department of Procurement Services, please complele the following:

Specification ii and Contract ii

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Page 1 of 13 SECTION II -	
- DISCLOSURE OF OWNERSHIP INTERES	TS
A. NATURE OF THE DISCLOSING PARTY [] Limited liability company [] Limited liability profit corporation also a 501(c)(3))?	ity partnership [J Joint venture [Not-for-profit corporation (Is the not-for-
	1. Indicate the nature of the Disclosing Party:
[J Person [] Publicly registered business corporation [] Privately held business corporation [j Sole proprietorship	[[[[[[(1) (1) (1) (1) (1) (2) (3) (4) (4) (5) (6) (7) (7) (7) (8) (8) (9) (9) (9) (9) (9) (9) (9) (9) (9) (9
Illinois	
3. For legal entities not organized in the State of Illinois as a foreign entity?	ne State ofIllinois: Has the organization registered to do business in
[XJ N/A	
B. IF THE DISCLOSING PARTY IS A LEGA	AL ENTITY:
-profit corporations, also list below all members there are no such members, write "no men tilleholcler(s). If the entity is a general partnership, limited venture, list below the name and title of each g	all executive officers and all directors of the entity. NOTE: For not-for rs, if any, which are legal entities. If an abers." For trusts, estates or other similar entities, list below the legal dispartnership, limited liability company, limited liability-partnership or joint general partner, managing member, manager or any other person or enlily a Disclosing Party. NOTE: Each legal entity listed below must submil an
Name Title HH1 Development Corporation	Managing General Partner

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2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7 5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

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interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, slate "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name

Business Address

Percentage Interest in the
Disclosing Party

Alliant- Tax Credit Fund XXTT, T.r.rl. 9.9_9_8_%

21600 Oxnard Street, Suite 1200

Woodland Hills, CA 91367-4949

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Parly had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes [Xi No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's

regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Parly must either ask lhe City whether disclosure is required or make the disclosure.

Name (indicate whether **Business** Relationship to Disclosing Party Fees (indicate whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE: "hourly rate" or "t.b.d." is to be retained) lobbyist, etc.) not an acceptable response. Applegate & Thorne-Thorns en Attorney \$20,000 626 West Jackson Blvd., Chicago "Developers" Mortgage Corporation M"oTt~gag e~Ban king \$T57oTjTJ" 2^4r-4Jo^feh-^-Sa-l-ie--S^-e^---S«ite---3-3-3'3 Illinois 60601 Chicago,

(Add sheets il'necessary)

[] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V - CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[JYes [] No [X] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

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[] Yes (J No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the Cily. NOTE: If Article I applies lo lhe Applicant, the permanent compliance timeframe in Article 1 supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
 - 3. The certifications in subparts 3, 4 and 5 concern:
 - the Disclosing Party;

- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or enlily that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Parly, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business wilh federal or stale or local government, including the City, using substantially the same management, ovvnership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any A ffiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United Slates of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S.

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Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Univerified List, the Entity List and the Debarred List.

- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

None.

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, ofthe City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name ofthe City recipient. None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is [X] is not

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a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
2. If the Disclosing Party IS a financial institution, then the Disclosing Parly pledges:
"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."
If the Disclosing Parly is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):
N/A
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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.
D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS
Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.
In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter? [] Yes X] No
NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.
2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit ofthe City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.
Does the Matter involve a City Property Sale?

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[] No

\]Yes

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3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or employees having such interest and idenlify the nature of such interest:

Name Business Address Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2.. the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

- X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

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1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary): None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity lo influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Parly is the Applicant, the Disclosing Party musl obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

ls	the	Disc.	losing	Party	the	App.	lıcant	•
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[X] Yes [] No

If "Yes," answer the three questions below:

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1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[] Yes [Xj No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[] Yes

[X] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

If you checked "No" to question 1. or 2. above, please provide an explanation: The Applicant: is a limited partnership and has no employees.

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SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection wilh the Malter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Parly understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.citvofchicago.orq/Ethics http://www.citvofchicago.orq/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award

to the City of treble damages.

- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement (his EDS up to the time (he City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kepi current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Parly represents and warrants that:

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- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

```
Hilliard Homes I Limited Partnership (Print or ype ruime of
Diydosii^Pam
         1.
»y:
                      vr~
       (Sign here)
Peter Holsten
(Print or type name ofperson signing)
Member,
             HH1 Development Corporation
J4anagiiag--Geiieral-. P-ar trier
(Print or type title ofperson signing)
Signe^and SAVorn to before me on (date)
at C c^ss^^^
                    County,
%
            "OI-'FICIALSEAL
              NIKISHIANNA CLAY
      Notary Public. State of Illinois «
          ^.a.m.^.onE^res 08^6/15 |
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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ovvnership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother -in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing

Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes [X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected cily official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

HH1 Development Corporation

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

OR

2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

OR

3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in

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which the Disclosing Party holds a ri	ght of control:		
B. Business address of the Disclosing Pa	arty: 1020 west Montro	se Avenue	
	Chicago, Il	inois 60613	
C. Telephone: 312-274-9137 <mailto:josephdunne@holstenchicago.com></mailto:josephdunne@holstenchicago.com>	Fax: 312-337-4592	Email: josephdunne@holstenchicago.com	
D. Name of contact person: Joseph Duni	ne		
E. Federal Employer Identification No.	(if you have one): J		
F. Brief description of contract, transact this EDS pertains. (Include project numbers)	-	referred to below as the "Matter") to which ty, if applicable):	
Subordinate financing from the City of Chicago	o for replacement of existing wi	ndows.	
G. Which Cily agency or department is a	requesting this EDS? Depart	artment of Planning and Development	
If the Matter is a contract being hand complete the following:	led by the City's Departmo	ent of Procurement Services, please	
Specification //	_ and Con	ntract //	
Page 1 of 13 SECTION II DISCLOSURE OF OWN	NERSHIP INTERESTS		
A. NATURE OF THE DISCLOSING P. [] Limited liability company [] Limited profit corporation also a 501(c)(3))?		int venture [) Not-for-profit corporation (Is the not-f	or-
		1. Indicate the nature of the Disclosing Par	rty.
[Person [] Publicly registered business corporation [X] Privately held business corporation [] Sole proprietorship	[on [[[
[] Limited partnership [] Trust	[

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[XJ N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any olher person or entity that controls the day-lo-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title Peter Holsten President

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

Pa tic 2 of 13

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None/ NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended io achieve full disclosure.

File #: O2015-758, Version	on: 1		
SECTION III BUSINE	SS RELATI	ONSHIPS WITH CITY ELECTED	OFFICIALS
		usiness relationship," as defined in before the date this EDS is signed?	Chapter 2-156 of the Municipal Code, with any
[] Yes	[Xi No)	
If yes, please identify belo	ow the name	(s) of such City elected official(s) as	nd describe such relationship(s):
GEOTION IV. DIGOLO	AGLIDE OF G	LIDGONTED A CITOD G AND OTHER	
SECTION IV DISCLO	SURE OF S	UBCONTRACTORS AND OTHE	R RETAINED PARTIES
accountant, consultant an connection with the Matte	d any other per, as well as	person or entity whom the Disclosin the nature of the relationship, and the	each subcontractor, attorney, lobbyist, g Party has retained or expects to retain in ne total amount ofthe fees paid or estimated to are paid solely through the Disclosing Party's
of any person or entity of	her than: (1)	a not-for-profit entity, on an unpaid	y legislative or administrative action on behalf l basis, or (2) himself. "Lobbyist" also means neludes undertaking to influence any legislative
		*	der this Section, the Disclosing Party
Name (indicate whether	vnetner disci Business	osure is required or make the disclo Relationship to Disclosing Party	
retained or anticipated to be retained)	Address	(subcontractor, attorney, lobbyist, etc.)	paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
(Add sheets if necessary)			
[] Check here if the	Disclosing F	Party has not retained, nor expe	ects to retain, any such persons or entities.

SECTION V - CERTIFICATIONS

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A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[]Yes	[X] No	[] No person directly or indirectly owns 10% or more ofthe
		Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Гi	Vec	[1No
LJ	Yes	[] No

B. FURTHER CERTIFICATIONS

- 1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Parly submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.
- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities lentified in Section 11.B. 1. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:

the Disclosing Party;

- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but nol limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entily that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, wilh the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ovvnership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Parly, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of Ihe Disclosing Parly, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee ofthe City, the State of Illinois, or any agency of the federal government or of any state or local government in the United Slates of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been

convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or ofthe United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Universified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Parly is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

n/a

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Parly who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none"). None.

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9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. None.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is [X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are nol and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Scclion 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

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Irthe letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-1 56 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-1 10 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

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[]Yes [XJNo		
NOTE: If you check Part E.	ted "Yes" to Item D.l., proceed to Item	s D.2. and D.3. If you cheeked "No" to Item D.1., proceed to
employee shall have a purchase of any propo of legal process at the	a financial interest in his or her own na erty that (i) belongs to the City, or (ii) e suit of the City (collectively, "City Pro-	Iding, or otherwise permitted, no City elected official or time or in the name of any other person or entity in the is sold for taxes or assessments, or (iii) is sold by virtue operty Sale"). Compensation for property taken itute a financial interest within the meaning of this
Does the Matter invo	lve a City Property Sale?	
[]Yes	[] No	
•	ed "Yes" to Item D.I., provide the name of interest and identify the nature of su	es and business addresses ofthe City officials or ach interest:
Name	Business Address	Nature of Interest
4. The Disclosing City official or emplo	•	pited financial interest in the Matter will be acquired by any
E. CERTIFICATION	REGARDING SLAVERY ERA BUS	SINESS
	er 1. or 2. below. If the Disclosing Pa EDS all information required by parag	arty checks 2 the Disclosing Party must disclose below or ingraph 2. Failure to
	Pane	e 8 of 13
comply with these distance the Matter voidable b		contract entered into with the City in connection with
the Disclosing Party	and any and all predecessor entities re-	arty has searched any and all records of garding records of investments or profits from slavery or ding insurance policies issued to slaveholders that slaves), and the Disclosing Party has found no such
2. The Disclo	osing Party verifies that, as a result of c	conducting the search in step 1 above, the
Office of the City Clark	Daga	25 of 220

Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary): None.

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds lo pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity lo influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, ioan. or cooperative agreement.

- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has nol engaged and will not engage in "Lobbying Activities".

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substance to paragrap Disclosing Party mus	ng Party is the Applicant, the Disclosing Party must obtain certifications equal in form and hs A.l. through A.4. above from all subcontractors before it awards any subcontract and the maintain all such subcontractors' certifications for the duration of the Matter and must make such y available to the City upon request.
B. CERTIFICATION	REGARDING EQUAL EMPLOYMENT OPPORTUNITY
	lly funded, federal regulations require the Applicant and all proposed subcontractors to information with their bids or in writing at the outset of negotiations.
Is the Disclosing Part	y the Applicant?
[] Yes	[X] No
If "Yes," answer the t	hree questions below:
1. Have you devergulations? (See 41 General Control of the second of the	reloped and do you have on file affirmative action programs pursuant to applicable feder CFR Part 60-2.) [J No
•	d with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance al Employment Opportunity Commission all reports due under the applicable filing requirements? [] No
3. Have you par opportunity clause? [JYes [JNo	cicipated in any previous contracts or subcontracts subject to the equal
If you checked "No"	to question 1. or 2. above, please provide an explanation:

'Flic Disclosing Parly understands and agrees that:

COMPLIANCE, PENALTIES, DISCLOSURE

VII

SECTION

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or

CONTRACT

ACKNOWLEDGMENTS,

INCORPORATION,

other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchica^o.org/Ethics http://www.cityofchica%5eo.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Parly waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Malter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. MOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-1 54-020 of lhe Municipal Code.

The Disclosing Party represents and warrants that:

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- F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Parly and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS")

maintained by the U. S. General Services Administration.

F.3 If the Disclosing Parly is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

HH1 Development Corporation

Peter Holsten (Print or type name ofperson signing)

JPres-ident (Print or type title ofperson signing)

Sinned and savoiii to before me on (date) Sinoned and savoii to before me on (date) Sinoned and

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This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes [Xj No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city of ficial or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant Tax Credit Fund XXII, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

OR

2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

OR 3. [] a legal entity with a right of control (see Sec which the Disclosing Party holds a right of control	etion II.B.l.) State the legal name of the entity in
B. Business address of the Disclosing Par	ty: 340 Royal Poinciana Way, Suite 305
	Palm Beach, FL 33480
C. Telephone: 818-668-6800	Fax: 818-668-2828 Email: brian.qoldberg@alliantcapital.com
<mailto:brian.qoldberg@alliantcapital.com></mailto:brian.qoldberg@alliantcapital.com>	
D. Name of contact person: Brian Goldber	rg
E. Federal Employer Identification No. (if you have	one): ,_ ;
F. Brief description of contract, transaction or olher pertains. (Include project number and location of project number and	undertaking (referred to below as the "Matter") to which this EDS perty, if applicable):
Subordinate financing from the City of Chicaqo for	replacement of existing windows.
G. Which City agency or department is requesting th	is EDS? Department of Planning and Development
If the Matter is a contract being handled by the Cifollowing:	ty's Department of Procurement Services, please complete the
Specification ii _N/A	and Contract // N/A_
Page 1 of 13	
SECTION II DISCLOSURE OF OWNERSHIP II	NTERESTS < L J
A. NATURE OF THE DISCLOSING PARTY	
 Indicate the nature of the Disclosing Party: Person Publicly registered business corporation Privately held business corporation Sole proprietorship General partnership Indicate the nature of the Disclosing Party: 	[] Limited liability company [] Limited liability partnership [] Joint venture [] Not-for-profit corporation (Is the not-for-profit corporation also a 501(c)(3))? [] Yes [] No

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[] Trust	[]	Other (please specify)	
2. For legal entities, t	the state (or foreign country) of	incorporation or organization, if appl	icable: Florida
3. For legal entities State of Illinois as a fore		inois: Has the organization registered	to do business in the
[] Yes	[XJ No	[] N/A	
B. IF THE DISCLOSIN	G PARTY IS A LEGAL ENTI	TY:	
profit corporations, also members." For trusts, es If the entity is a gener venture, list below the na	list below all members, if any, tates or other similar entities, li- ral partnership, limited partners ame and title of each general pa	ive officers and all directors of the en- which are legal entities. If there are not st below the legal titleholder(s). Thip, limited liability company, limited further, managing member, manager of this party. NOTE: Each legal entity lis	o such members, write "no d liability partnership or join any other person or entity
Name Title Alliant Capital, Ltd.		General Partner	
interest (including owner	rship) in excess of 7.5% ofthe E interest in a partnership or joint	ning each person or entity having a direction of such and venture, e 2 of 13	
similar entity. If none, s	tate "None." NOTE: Pursuant to City may require any such add	ompany, or interest of a beneficiary, of Section 2-154-030 of the Municipal litional information from any applicar Percentage Interest in t	Code of Chicago at which is reasonably
Alliant Capital, Ltd.	340 Royal Poinciana Way	Disclosing Party suite 305. Palm Beach, FL 33480	0.01% (GP)

File #: O2015-758, Version:	1		
Verizon Credit, Inc.	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	99.99% (LP)	

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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N-anfe>(indicafe'-w-hether" "-" Business •v^R^elationship-to^DisclosingrRarty;. «Fe,es.. (*inJ.ip:_tevWihether""

retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE:

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to be retained)		lobbyist, etc.)	"hourly rate" or "t.b.d." is not an acceptable response.
N/A			not an acceptable response.
(Add sheets if necessary)	ı		
[X] Check here if the	Disclosing Pa	rty has not retained, nor ex	pects to retain, any such persons or entities.
SECTION V CERTIFI	CATIONS		
A. COURT-ORDERED	CHILD SUPP	ORT COMPLIANCE	
•		415, substantial owners of busing apport obligations throughout the	ness entities that contract with the City must e contract's term.
• •	•	y owns 10% or more ofthe Disc court of competent jurisdiction?	losing Party been declared in arrearage on any
[] Yes [X	[X] No [] No person directly or indirectly Disclosing Party.	y owns 10% or more of the
If "Yes," has the person e compliance with that agree		ourt-approved agreement for pay	ment of all support owed and is the person in
[]Yes []	No		
B. FURTHER CERTIFI	CATIONS		

1. Pursuant lo Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

Pane 4 of 13

_V2:'V^he^is'cl0sinjg Party, and, if thd""D'isclosing-:Party:is _ legal entity, all of those persons or entities;.:^ -. identified in Section II.B.l. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, wilh the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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'•^Neith"eF^H6·Di_c'losin·g·P-arty;- nor any ContfacTaf^W^ of either^he _)isclosingT?arty -

or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

 N/A
- 9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, ofthe City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

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"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

.N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-1 10 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[] Yes |X] No

NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit ofthe City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[] Yes |X] No

3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

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Name	Business Address	Nature of Interest		

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any Cily official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply "with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

- X 1 The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

Office of the City Clerk Page 40 of 320 Printed on 1/15/2024

If "Yes," answer the three questions below:

F	ile	#:	O20 ⁻	15-758,	V	'ers	ion:	1
---	-----	----	------------------	---------	---	------	------	---

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[JYes []No

- 2. Have you filed wilh the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements? []Ycs [JNo
- 3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[JYes [JNo

If you checked "No" to question 1. or 2. above, please provide an explanation:

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SECTION VII-- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award

to the City of treble damages.

- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the infonnation provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

Page I 1 of 13

- F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Tax Credit Fund XXII, Ltd.

File #: O2015-758, Version: 1 Brian_Go!db.ercj. (Print or type name ofperson signing) President

Signed and sworn to before me on (date)

(Print or type title ofperson signing)

Co in m i s s io n ex p i res:

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Parly" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any ofthe following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother -in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.I.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

File #: O2015-758, Version: 1	
[] Yes	P<] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city of ficial or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

A. Alliant Capital, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [] the Applicant OR
- 2. (X) a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305

Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.goldberg@alliantcapital.com

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<mailto:brian.goldberg@alliantcapital.com>

D. Name of contact person: Brian Goldberg

- E. Federal Employer Identification No. (if you have one):
- P. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification //■ N/A

and Contract # N/A

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SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

[] Person	
[] Publicly registered busine	ss corporation [] Privately held business corporation [] Sole proprietorship [] General
partnership (XJ Limited partnership	nership [] Trust
[] Limited liability company	
[] Limited liability partnersh	ip
[] Joint venture	
[] Not-for-profit corporation	
(Is the not-for-profit corporat	tion also a 501(c)(3))?
[J Yes	[] No
[J Other (please specify)	

- 2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable: Florida
- 3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State

File #: O2015-758, \	Version: 1		
oflllinois as a foreig	n entity?		
[] Yes	(X No	[] N/A	
B. IF THE DISCLO	SING PARTY IS A LEGAL EN	ΓΙΤΥ:	
profit corporations, a members." For trusts If the entity is a g venture, list below the	also list below all members, if any s, estates or other similar entities, general partnership, limited partnership and title of each general to-day management of the Disclosure.	y, which are legal entiti list below the legal title ership, limited liability partner, managing men	rectors of the entity. NOTE: For not-for- es. If there are no such members, write "no eholder(s). company, limited liability partnership or joint other, manager or any other person or entity the legal entity listed below must submit an
Name Title Alliant Inc.		General Partner	
interest (including or	_	Disclosing Party. Exa	ntity having a direct or indirect beneficial mples of such an interest include shares in a
	Pa	ge 2 of 13	
similar entity. If nor	ne, state "None." NOTE: Pursuan , the City may require any such a	t to Section 2-154-030	of a beneficiary of a trust, estate or other ofthe Municipal Code of Chicago from any applicant which is reasonably
Name	Business Address		stage Interest in the

Disclosing Party
Alliant, Inc. 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 1% (GP)
The Alliant Company, LLC 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 99% (LP)

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SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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'Na'nie (indicate whether "Business * ■ Relationship to' Disclosing Party ; Fees (indicate whether - *
retained or anticipated retained)

Address (subcontractor, attorney, paid or estimated.) NOTE:
lobbyist, etc.) "hourly rate" or "t.b.d." is
not an acceptable response.

N/A

File #: O2015-758	, Version: 1	
(Add sheets if nec	essary)	
[X] Check here	if the Disclosin	ng Party has not retained, nor expects to retain, any such persons or entities
SECTION V CH	ERTIFICATION	S
A. COURT-ORD	ERED CHILD S	SUPPORT COMPLIANCE
•		2-92-415, substantial owners of business entities that contract with the City must all support obligations throughout the contract's term.
	•	lirectly owns 10% or more ofthe Disclosing Party been declared in arrearage on any linois court of competent jurisdiction?
[] Yes	X] No	[] No person directly or indirectly owns 10% or more of the Disclosing Party.
If "Yes," has the percompliance with the		to a court-approved agreement for payment of all support owed and is the person in
f J Yes	[] No	
B. 1-URTHER C	ERTIFICATION	1S
terms (e.g., "doing doing business with person is currently supervision for, an perjury, dishonesty understands and ac City. NOTE: If Art	business") and I h the City, then to indicted or charge y criminal offens y or deceit against knowledges that ticle I applies to	chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined egal requirements), if the Disclosing Party submitting this EDS is the Applicant and is the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling ged with, or has admitted guilt of, or has ever been convicted of, or placed under se involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, at an officer or employee ofthe City or any sister agency; and (ii) the Applicant compliance with Article 1 is a continuing requirement for doing business with the the Applicant, the permanent compliance timeframe in Article I supersedes some five-infications 2 and 3 below.

Pane 4 of 13

"-'"-'2.""'Tihe'lDisc:16sing Party arid, if the-Disclosing Party is a-legal entity-,^ all of-those-persons or entities-identified in Section II.B.l. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business wilh federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Parly, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the isc losing Party, nor any Contractor; nor-any Affiliated Entityofeither-the Disclosing Party ------ or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a
 public officer or employee ofthe City, the State of Illinois, or any agency of the federal government or
 of any state or local government in the United States of America, in that officer's or employee's official
 capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

 N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, ofthe City of Chicago (ifnonc, indicate with "N/A" or "none").

 N/A
- 9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is [X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

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-	de) is a predatory lender within the mea	se it or any of its affiliates (as defined in Section 2-32-455(b) uning of Chapter 2-32 of the Municipal Code, explain here
	Page 7 of	F13
	the word "None," or no response appear	ars on the lines above, it will be conclusively tatements.
D. CERTIFICATIO	ON REGARDING INTEREST IN CIT	Y BUSINESS
Any words or terms used in this Part D.	s that are defined in Chapter 2-156 ofth	e Municipal Code have the same meanings when
		icipal Code: Does any official or employee of the City have a any other person or entity in the Matter?
NOTE: If you chec Part E.	cked "Yes" to Item D.l., proceed to Item	ns D.2. and D.3. If you checked "No" to Item D.l., proceed to
employee shall have purchase of any pro legal process at the	e a financial interest in his or her own n perty that (i) belongs to the City, or (ii) suit of the City (collectively, "City Prop	dding, or otherwise permitted, no City elected official or ame or in the name of any other person or entity in the is sold for taxes or assessments, or (iii) is sold by virtue of perty Sale"). Compensation for property taken pursuant to the il interest within the meaning of this Part D.
Does the Matter inv	volve a City Property Sale?	
[] Yes	IX] No	
•	ked "Yes" to Item D.l., provide the namuch interest and identify the nature of s	es and business addresses of the City officials or uch interest:
Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements Ttiay make any contract entered into with the Gity in connection with the Matter voidable by the City.

- X 1- The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf ofthe Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member ofCongress, an officer or employee ofCongress, or an employee of a member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Parly certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or(ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

13. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Pa	arty the Applicant?	
[]Yes	DO No	

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[] Yes" [] No

F	ile	#:	O201	5-758	, V	ersion:	1
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- 2. Have you filed with the Joint Reporting Committee, (he Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements? f] Yes []No
- 3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[] Yes [] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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SECTION VII-- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or

all ofthe information provided on this EDS and any attachments to this EDS may be made available lo the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. 'I he information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this FDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

Page 1 1 of 13

- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.L and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.L, F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant Capital, Ltd.

(Print or type nam^OfDjsclosingJParty)

Brian Goldberg (Print or type name ofperson signing)

President (Print or type title ofperson signing)

Signed and sworn to before me on (date)

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Parly" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

File #: O2015-758, Version: 1 [J Yes |X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION 1 - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

A. The Alliant Company, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [] the Applicant
 - OR
- 2. (X) a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

 OR
- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
 Palm Beach, FL 33480
- C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: Shawn.Horwitz@alliantcapital.com

<mailto:Shawn.Horwitz@alliantcapital.com>

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D. Name of contact person: S	Shawn Horwitz		
E. Federal Employer Identifi	cation No. (if you l	nave one): ■	
F. Brief description of contrapertains. (Include project num		other undertaking (referred to below as f property, if applicable):	the "Matter") lo which this IiDS
Subordinate financing from	the City of Chicaqo	for replacement of existing windows.	
G. Which Cily agency or dep	partment is requesting	ng this EDS? Department of Planning an	d Development
If the Matter is a contract following:	ct being handled b	by the City's Department of Procurement	nt Services, please complete lhe
Specification // N/A		and Contract # N/A	
SECTION II - DISCLOSUR	E OF OWNERSH	IP INTERESTS	
A. NATURE OF THE DISC	CLOSING PARTY		
[] Person [] Publicly registered busines partnership [] Limited partnership [] Limited partnersh [] Limited liability compan [] Limited liability partnersh [] Joint venture [] Not-for-profit corporation (Is the not-for-profit corporat []Yes []No [] Other (ership [] Trust y ip ion also a 501(c)(3)	rivately held business corporation [] Solo	e proprietorship [] General
-	organized in the Sta	ntry) of incorporation or organization, if ate of Illinois: Has the organization regist	
[] Yes	[X] No	[] N/A	

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-forprofit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entily that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title Alliant, Inc.

Name

SAK Housing, LLC

Managing Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

Page 2 of 13

interest of a member or manager'iii "'a -1 imTfe'dHTabT 1 iVycompany\or interest-'of a beneficiary-of.a-trustj..v.-,\overline{\chi_v} estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Percentage Interest in the **Disclosing Party** Alliant, Inc. 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 1% (Managing Member) Palm Drive Associates, LLC 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 24.75% (Non-Managing Member) 344 Columbia Associates, Ltd. 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 24.75% (Non-Managing Member)

340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Business Address

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

49.5% (Non-Managing Member)

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File #: O2015-758, Version	n; ı		
[]Yes	X] No		
If yes, please identify belo (s): N/A	w the name	e(s) of such City elected official(s) an	nd describe such relationship
SECTION IV - DISCLOS	URE OF SI	UBCONTRACTORS AND OTHER	RETAINED PARTIES
accountant, consultant and connection with the Matter	any other pr, as well as	person or entity whom the Disclosing the nature of the relationship, and the	ach subcontractor, attorney, lobbyist, g Party has retained or expects to retain in ne total amount ofthe fees paid or estimated o are paid solely through the Disclosing
behalf of any person or ent	tity other the entity any pa	an: (1) a not-for-profit entity, on an art of whose duties as an employee of	r legislative or administrative action on unpaid basis, or (2) himself. "Lobbyist" of another includes undertaking to
		whether a disclosure is required und r disclosure is required or make the o	_
		Page 3 of 13	
Name (ihdicate:\vhether retained or anticipated to be retained)	Business- Address	• TM RHaTiori'sliip"to-"Dis'cto'sing (subcontractor, attorney, lobbyist, etc.)	Party Fee's (indicate whether,- paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			
(Add sheets if necessary)			

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[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities. SECTION V ~

CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[] Yes |X] No [] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[JYes [JNo

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article 1 applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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2T"The Disclosing Party arid, if the Disclosing PartyMs a legal entity, all of those pers6ns?or entities -identified in Section II.B.l. of this EDS:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;

- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section I V, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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^{&#}x27; Neither the E)isclosing"-Party, nor any Contractor;-nbr^rany\A;ffiHated Entity of cither the Diselosing Party -or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or

Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public
 officer or employee ofthe Cily, the State of Illinois, or any agency of the federal government or of any state or
 local government in the United States of America, in that officer's or employee's official capacity;
- agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, ofthe City of Chicago (if none, indicate with "N/A" or "none").

 N/A
- 9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, ofthe City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

-MIA

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1.	In accordance with Secti	on 2-156-110 of the Municipal	Code: Does any	official or employee	ofthe City have a
financia	al interest in his or her ow	on name or in the name of any	other person or e	ntity in the Matter?	
[]	Yes	X] No			

NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit ofthe City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[] Yes |X] No

3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name Business Address Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or m

an attachment to this EDS all information required by paragraph 2. Failure to Page 8 of 13

- comply with these disclosure requirements may make any contract enter.ed-intq- with the-Gity in connection with the Matter voidable by the City.
 - X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
 - 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations ofthe City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence

or attempt lo influence an officer or employee of any agency, as defined by applicable federal law, a member ofCongress, an officer or employee of Congress, or an employee of a member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

[] Yes	M No
If "Yes," answer the three qu	estions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[] Yes [] No

Is the Disclosing Party the Applicant?

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[]Yes ~ [JNo

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity

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clause? [] Yes	[J No				

If you checked "No" to question 1. or 2. above, please provide an explanation:

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SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F. 1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf ofthe Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as ofthe date furnished to the City.

Shawn Horwitz (Print or type name ofperson signing)

Chief Executive Officer (Print or type title of person signing)

Signed and sworn to before me on (date)

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Notary Public

Page 12 of 13 Commission expires:

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes [Xl No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial

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relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Alliant, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [] the Applicant OR
- 2. |X| a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

 OR
- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305

Palm Beach, FL 33480

C. Telephone: 818-668-6800 Fax: 818-668-2828 Email: brian.qoldberq@alliantcapital.com

<mailto:brian.qoldberq@alliantcapital.com>

D.Name of contact person: Brian Goldberg

E. Federal Employer Identification No. (if you have one):

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F. Brief description of contract, transact pertains. (Include project number and loc	tion or olher undertaking (referred to below as the "Matter") to which this EDS cation of property, if applicable):
Subordinate financing from the City of C	Chicaqo for replacement of existing windows.
G. Which City agency or department is r	equesting this EDS? Department of Planning and Development
If the Matter is a contract being har following:	ndled by the City's Department of Procurement Services, please complete lhe
Specification # N/A	and Contract # N/A
Page 1 of 13	
SECTION II - DISCLOSURE OF OVV	NERSHIP INTERESTS
A. NATURE OF THE DISCLOSING P	ARTY
Indicate the nature of the Disclosin Publicly registered business corporation partnership [] Limited partnership [] True Party: [] Limited liability company [] Limited liability partnership [] Joint venture	on X] Privately held business corporation [] Sole proprietorship [] General
[] Not-for-profit corporation (Is the not-for-profit corporation also []Yes [JNo [J Other (please	
2. For legal entities, the state (or fore	eign country) of incorporation or organization, if applicable:
Florida	

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

[] N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titlcholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title

Scott Kotick

Sidney Kohl Director/Chairman of the Board
Shawn Horwitz Director/Chief Executive Office

Brian Goldberg President

James Jenkins Director/Vice President/Treasurer/Secretary

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

Director/Executive Vice President

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interest of a member'or manager in a lim7teid1iab'ility"company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	ne	
		Disclosing Party	
Sidney Kohl	340 Royal Poinciana Way, suite	e 305, Palm Beach, FL 33480	50% Shareholder
Shawn Horwitz	340 Royal Poinciana Way, suite 30	5, Palm Beach, FL 33480	25% Shareholder
Scott Kotick	340 Royal Poinciana Way, suite	305, Palm Beach, FL 33480	25% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

File #: O2015-758, Version: 1 [] Yes |X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature ofthe relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether Business Relationship to Disclosing Party Fees (indicate whether "•

retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE:

to be retained) lobbyist, etc.) "hourly rate" or "t.b.d." is

not an acceptable response.

N/A

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities. SECTION V -

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ERTIFICATIONS	

A. COURT-ORDERED CFIILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[] Yes |X] No [] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[] Yes [] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or

performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any ofthe offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ovvnership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control ol'another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor ariy Affiliated Entity of "either the Disclosing-Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public

officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or ofthe United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

 , N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. Jo the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-

month period preceding the execution date of this CDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Parly IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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	ord "None," or no response appe	ears on the lines above, it will be conclusively statements.
D. CERTIFICATION RE	GARDING INTEREST IN CIT	Y BUSINESS
Any words or terms that a used in this Part D.	re defined in Chapter 2-1 56 of	the Municipal Code have the same meanings when
		cipal Code: Does any official or employee of the City have a any other person or entity in the Matter?
NOTE: If you checked "Yeart E.	Yes" to Item D.l., proceed to Iter	ms D.2. and D.3. If you checked "No" to Item D.1., proceed to
employee shall have a fina purchase of any property t legal process at the suit of	hat (i) belongs to the City, or (ii the City (collectively, "City Pro	idding, or otherwise permitted, no City elected official or name or in the name of any other person or entity in the) is sold for taxes or assessments, or (iii) is sold by virtue of perty Sale"). Compensation for property taken pursuant to the al interest within the meaning of this Part D.
Does the Matter involve a	City Property Sale?	
[] Yes	X] No	
	es" to Item D.l., provide the nan terest and identify the nature of	nes and business addresses of the City officials or such interest:
Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any Cily official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check cither 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements may make any contract entered into with -theCity in connection with the Matter voidable by the City.

- X 1 The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member ofCongress. an officer or employee of Congress, or an employee of a member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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1

Is the Disclosing Party the Applicant?

- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(e)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

[] Yes DO No

If "Yes," answer the three questions below:

1. Have you developed and do you have on File affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[] Yes [] No

2. Have you filed with the Joint Perenting Committee the Director of the Office of Federal Contract Committees.

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements? []Yes [JNo

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?[] Yes[] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this FDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this FDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F. 1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.L, F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Alliant, Inc.

(Print or type name ofperson signing)

President

(Print or type title ofperson signing)

Signed and sworn to before me on (date)

at iOStY^i^ County, (state).
fW^Q^W^ Notary Public.

Comm. Expires Sep 24, 2017 £

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.I.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [] the Applicant OR
- 2. [Xl a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

 OR
- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:

B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305 Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: ijenkinsfaeskopb.com

http://ijenkinsfaeskopb.com

- D. Name of contact person: James Jenkins
- E. Federal Employer Identification No. (if you have one): ■
- F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") lo which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the

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following:	
Specification // _N/A	and Contract # N/A
Page 1 of 13 SECTION II DISCLOSURE OF OWN	ERSHIP INTERESTS
A. NATURE OF THE DISCLOSING PA	RTY
1. Indicate the nature of the Disclosing Par Person Publicly registered business corporation Privately held business corporation Sole proprietorship General partnership Limited partnership Trust Limited liability company Limited liability the not-for-profit corporation also a 501(c) [JYes [JNo Other (please specify)	P <j (is="" [=""]="" corporation<="" joint="" not-for-profit="" partnership="" td="" venture=""></j>
2. For legal entities, the state (or foreig	n country) of incorporation or organization, if applicable: Florida
3. For legal entities not organized in t State of llinois as a foreign entity?	he State of lllinois: Has the organization registered to do business in the
[] Yes XJ No	[] N/A
B. IF THE DISCLOSING PARTY IS A L	EGAL ENTITY:
profit corporations, also list below all men members." For trusts, estates or other simi If the entity is a general partnership, lin joint venture, list below the name and title	of all executive officers and all directors of the entity. NOTE: For not-for- nbers, if any, which are legal entities. If there are no such members, write "no lar entities, list below the legal titleholder(s). nited partnership, limited liability company, limited liability partnership or of each genera! partner, managing member, manager or any other person or ment ofthe Disclosing Parly. NOTE: Each legal entity listed below must submit

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Managing Member

Name Title Robert Kohl

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2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% ofthe Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

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interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Kohl New Generations Trust	<u>340 Roya</u>	al Poinciana Way, suite 305, Palm Beach, FL 33480 11.25%
SAK Housing, Inc.	340 Roya	al Poinciana Way, suite 305, Palm Beach, FL 33480 45%
Sidney A Kohl 2012 Irrevocable F	amily Trust 340 Roya	ll Poinciana Way, suite 305, Palm Beach, FL 33480 24%
The Lawrence Kohl 2013 Family	Frust 340 Roya	l Poinciana Way, suite 305, Palm Beach, FL 33480 15%

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes	pq No
[] Yes	pq N

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to

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be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes lo influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether

Relationship'to Disclosing Party

Fees (indicate whether

retained or anticipated

Address

(subcontractor, attorney,

lobbyist, etc.)

paid or estimated.) NOTE:

"hourly rate" or "t.b.d." is

not an acceptable response.

N/A

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V - CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Flas any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[] Yes |X] No [] No person directly or indirectly owns 10% or more of the Disclosing Party.

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If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[] Yes [] No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy io commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance wilh Article I is a continuing requirement for doing business with the City. NOTF: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2. " The Disclosing Party and, if the Disclosing Pa'rty'is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any ofthe offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations,

instituted by the City or by the federal government, any state, or any other unit of local government.

- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Parly, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party,' nor any Contractor', nor ariy Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the Slate of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Universified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-1 56 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

Page 6 of 13

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this F.DS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

 N/A
- 9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed

official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because il or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

__N_/A

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Tf the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

File #: O2015-758, Version: 1				
		cipal Code: Does any official or employee of the City have a any other person or entity in the Matter?		
NOTE: If you checke Part E.	d "Yes" to Item D.l., proceed to Item	s D.2. and D.3. If you checked "No" to Item D.1., proceed to		
employee shall have a purchase of any proper legal process at the sui	financial interest in his or her own naty that (i) belongs to the City, or (ii) t of the City (collectively, "City Prop	dding, or otherwise permitted, no City elected official or ame or in the name of any other person or entity in the is sold for taxes or assessments, or (iii) is sold by virtue of perty Sale"). Compensation for property taken pursuant to the l interest within the meaning of this Part D.		
Does the Matter involv	ve a City Property Sale?			
[] Yes	IX] No			
•	"Yes" to Item D.l., provide the nam interest and identify the nature of st	es and business addresses ofthe City officials or uch interest:		
Name	Business Address	Nature of Interest		

4. The Disclosing Party furiher certifies that no prohibited financial interest in the Matter will be acquired by any Cily official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

Page 8 of 13

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage lo or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

List below the names of all persons or entities registered under the federal Lobbying
Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with
respect to the Matter: (Add sheets if necessary):
 None

TVOIIC

(If no explanation appears or begins on the iincs above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay-any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.

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Revenue Code of 1986; or (i	y certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 I not engage in "Lobbying Activities".			
substance to paragraphs A.l. Disclosing Party must maint	rty is the Applicant, the Disclosing Party must obtain certifications equal in form and through A.4. above from all subcontractors before it awards any subcontract and the ain all such subcontractors' certifications for the duration of the Matter and must make such able lo the City upon request.			
B. CERTIFICATION REGA	ARDING EQUAL EMPLOYMENT OPPORTUNITY			
•	ded, federal regulations require the Applicant and all proposed subcontractors to submit ith their bids or in writing at the outset of negotiations.			
Is the Disclosing Party the A	applicant?			
[] Yes	1X1 No			
If "Yes," answer the three qu	nestions below:			
Have you developed regulations? (See 41 CFR Pa [] Yes	and do you have on file affirmative action programs pursuant to applicable federal art 60-2.) [1 No			
•	the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance loyment Opportunity Commission all reports due under the applicable filing requirements? [] No			
3. Have you participate opportunity clause?	ed in any previous contracts or subcontracts subject to the equal			
[Yes	[] No			
If you checked "No" to quest	tion I. or 2. above, please provide an explanation:			

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SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement. City assistance, or other City action, and arc material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicaRO.org/Ethics http://www.cityofchicaRO.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (3 12) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the lime the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, LLC

(Print or type name of Disclosing Party)

Robert Kohl

(Print or type name ofperson signing)

Managing Member

(Print or type title of person signing)

Signed and sworn to before me on (date) "/70 I-' c^S J^O/^/ ■ at "9-1J ni BuW'h County, f'-j_r> r ,rJ c< (state).

MOIRA MALLOY-EFi MY COMMISSION '■ EXPIRES Mar'.r.V' Bonded Thfu Notary Fulji'C ■

,.7<V/C'

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any ofthe following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother -in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.I.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes |X] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city of ficial or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable: Kohl

New Generations Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

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1. [] the Applicant OR	and interest in the Annellinest State the Level manner of the Annellinest
· · · · · · · · · · · · · · · · · · ·	rect interest in the Applicant. State the legal name of the Applicant terest: Hilliard Homes 1 Limited Partnership
OR	terest. Immuru 110mes 1 2mmeeu 1 urtnersmp
3. [] a legal entity with a right of control (see which the Disclosing Party holds a right of cor	Section II.B.l.) State the legal name of the entity in atrol:
B. Business address of the Disclosing P	arty: 340 Royal Poinciana Way, Suite 305
	Palm Beach, FL 33480
C. Telephone: 561-833-5795 Fax: 561-833-36	Email: jjenkins@eskopb.com
<mailto:jjenkins@eskopb.com></mailto:jjenkins@eskopb.com>	
D. Name of contact person: James Jenkins	
E. Federal Employer Identification No. (if you ha	ve one):_^
F. Brief description of contract, transaction or oth pertains. (Include project number and location of project number and lo	ner undertaking (referred to below as the "Matter") to which this EDS property, if applicable):
Subordinate financing from the City of Chicaqo f	for replacement of existing windows.
G. Which City agency or department is requesting	g this EDS'? Department of Planning and Development
If the Matter is a contract being handled by the following:	City's Department of Procurement Services, please complete the
Specification # N/A	and Contract # N/A
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SECTION II - DISCLOSURE OF OWNER	SHID INTERESTS
SECTION II - DISCLOSURE OF OWNER	SIII INTERESTS
A. NATURE OF THE DISCLOSING PART	ΓΥ
[] Person	
[] Publicly registered business corporation [] General partnership [] Limited partnership IX	Privately held business corporation [] Sole proprietorship f] [] Trust

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[] Limited liability company [] Limited liability partnership [] Joint venture [] Not-for-profit corporation [] Yes [] Not-for-profit corporation		
2. For legal entities, the state	(or foreign country) of in	ncorporation or organization, if applicable:
Florida		
3. For legal entities not orgathe State of Illinois as a foreign		ois: Has the organization registered to do business in
[] Yes IX] No	[] N/A
B. IF THE DISCLOSING PAR	ΓΥ IS A LEGAL ENTITY	Y:
not-for-profit corporations, also members, write "no members." I If the entity is a general partn partnership or joint venture, list	list below all members, if For trusts, estates or other ership, limited partnership below the name and title of t controls the day-to-day n	e officers and all directors of the entity. NOTE: For f any, which are legal entities. If there are no such a similar entities, list below the legal titleholder(s). p, limited liability company, limited liability-of each general partner, managing member, manager management of the Disclosing Party. NOTE: Each behalf.
Name Title		
Pentacorp. Inc Patricia Fadr	ness. President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

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interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other

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similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name Business Address Percentage Interest in the

Disclosing Party

SK Grandchildren 340 Rcyal Poinciana Way, suite 305, Palm Beach, FL 33480

Sole Beneficiary

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes IX] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether retained or anticipated to be retained) N/A	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.	
(Add sheets if necessary))			
[X] Check here if the	Disclosing 1	Party has not retained, nor expe	ects to retain, any such persons or entities.	
SECTION V CERTIF	ICATIONS			
A. COURT-ORDERED	CHILD SUP	PORT COMPLIANCE		
•		2-415, substantial owners of busine support obligations throughout the	ess entities that contract with the City must contract's term.	
• •	•	ctly owns 10% or more of the Disclois court of competent jurisdiction?	osing Party been declared in arrearage on any	
[] Yes [X	X] No	[] No person directly or indirectly Disclosing Party.	owns 10% or more of the	
If "Yes," has the person e compliance with that agree		court-approved agreement for payr	ment of all support owed and is the person in	

B. FURTHER CERTIFICATIONS

[] No

[]Yes

1. Pursuant to Municipal Code Chapter 1 -23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the

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City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
 - 3. The certifications in subparts 3, 4 and 5 concern:
 - the Disclosing Party;
 - any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City> using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or

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employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department ofthe Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, ofthe City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is PC] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
- 2. If the Disclosing Party IS a financial institution, then the Disclosing Parly pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We

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further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[] Yes

DO No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D. 1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[] Yes D<] No

3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name Business Address Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

- X 1- The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 503(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[] Yes IX] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

[]Yes []No

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- 2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements? []Yes []No
- 3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[] Yes [] No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, Cily assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Parly understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or

all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent ofthe City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.L, F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Kohl NewjGenerations Trust

(Print o/type name of Disclosing Party)

, (Jl n

fSiun Wr^y^racorP. "nc , Trustee i.oign n^,^)_{By Patrjcia} Fadness president

Patricia Fadness

(Print or type name of person signing)

President

(Print or type title of person signing)

Signed and sworn to before me on (date) ^-/Js.-s ,3Q~" 5 al 1.7 (rn i %r> i'h County, -f L_r> rit«~.. (state).

 $a^j \cdot V' \cdot 6cj - / -Iv V' \cdot -cf.,^ Notary Public.$

Commission expires: J'/ '■J'ClS'

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-iaw, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section ILB.l.a., if the Disclosing

Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes PX] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SAK Housing, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

2. (X| a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership OR

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3. [] a legal entity with a right of control (s which the Disclosing Party holds a right of c	see Section II.B.l.) State the legal name of the entity in control:
B. Business address of the Disclosing Party:	340 Royal Poinciana Way, Suite 305
	Palm Beach, FL 33480
C. Telephone: 561-833-5795 Fax: 561-833-	Email: ijenkins@eskopb.com
<mailto:ijenkins@eskopb.com></mailto:ijenkins@eskopb.com>	
D. Name of contact person: James Jenkins	
E. Federal Employer Identification No. (if you	have one):
F. Brief description of contract, transaction or this EDS pertains, (include project number and	other undertaking (referred to below as the "Matter") to which location of property, if applicable):
Subordinate financing from the City of Chicaqu	o for replacement of existing windows.
G. Which City agency or department is requesti	ing this EDS? Department of Planning and Development
If the Matter is a contract being handled complete the following:	l by the City's Department of Procurement Services, please
Specification ii N/A	and Contract ii N/A
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SECTION II - DISCLOSURE OF OWNERSHIP I	NTERESTS
A. NATURE OF THE DISCLOSING PARTY	
[] Person [] Publicly registered business corporation [XJ Privately held business corporation [] Sole proprietorship [] General partnership [] Limited partnership [] Trust	
[] Limited liability company [] Limited liability pa	rtnership [] Joint venture [] Not-for-profit

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•	corporation also a 501(c)(3))?] Other (please specify)	
2. For legal entities	es, the state (or foreign country) of incorporation or organization, if applicable: Florida
3. For legal entit of llinois as a foreign		fillinois: Has the organization registered to do business in the State
[] Yes	rXJ No	[] N/A
B. IF THE DISCLOS	SING PARTY IS A LEGAL EN	NTITY:
profit corporations, al members." For trusts, If the entity is a ge joint venture, list belo	Iso list below all members, if a estates or other similar entities enera! partnership, limited partnership to the name and title of each g e day-to-day management ofth	ecutive officers and all directors of the entity. NOTE: For not-for- ny, which are legal entities. If there are no such members, write "no s, list below the legal titleholder(s). nership, limited liability company, limited liability partnership or eneral partner, managing member, manager or any other person or e Disclosing Party. NOTE: Each legal entity listed below must
Name Title		
Sidney A. Kohl James C. Jenkins		President Vice President / Treasurer
	the following information com	agening and mangan on antiby having a diment on indiment have finial
interest (including ow	C	cerning each person or entily having a direct or indirect beneficial ne Disclosing Party. Examples of such an interest include shares in a oint venture,
		Page 2 of 13
similar entity. If none	e, state "None." NOTE: Pursua the City may require any such	ty company, or interest of a beneficiary of a trust, estate or other ant to Section 2-154-030 of the Municipal Code of Chicago additional information from any applicant which is reasonably
Name	Business Address	Percentage Interest in the Disclosing Party

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Jana Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33 333% Shareholder
Lisa Kohl 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33 333% Shareholder
Lori Gandleman 1992 Trust	340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480	33.333% Shareholder

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes |X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): JN/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Parly must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether retained or anticipated to be retained)

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N/A Business Relationship to Disclosing Party Address (subcontractor, attorney, lobbyist, etc.) Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
(Add sheets if necessary)
fX] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.
SECTION V - CERTIFICATIONS
A. COURT-ORDERED CHILD SUPPORT COMPLIANCE
Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.
Has any person who directly or indirectly owns 10% or more ofthe Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?
X] No [] No person directly or indirectly owns 10% or more of the Disclosing Party.
If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?
[] Yes
B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business wilh the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, a it empled, or conspiracy io commit bribery, ihe.fl http://ihe.fl, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the dale of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or slate antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
 - 3. The certifications in subparts 3, 4 and 5 concern:
 - the Disclosing Party;
 - any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
 - any "Affiliated Entity" (meaning a person or entily that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entily following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, wilh the Contractor, is under common control of another person or entity;
 - any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any' Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of U.S. Department of the Treasury or the Bureau of Industry and Security of U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Univerified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. !f the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

_N/A		
13//	•	_
<u>_</u>	•	,

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees ofthe Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is [X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

if the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

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	ord "None," or no response appearing Party certified to the above	ears on the lines above, it will be conclusively statements.
D. CERTIFICATION RE	EGARDING INTEREST IN CIT	TY BUSINESS
Any words or terms that a used in this Part D.	are defined in Chapter 2-156 oft	he Municipal Code have the same meanings when
		icipal Code: Docs any official or employee of the City have a fany other person or entity in the Matter?
NOTE: If you checked "Part E.	Yes" to Item D.l., proceed to Item	ms D.2. and D.3. If you checked "No" to Item D. 1., proceed to
employee shall have a fine purchase of any property legal process at the suit of	ancial interest in his or her own that (i) belongs to the City, or (ii) the City (collectively, "City Pro	pidding, or otherwise permitted, no City elected official or name or in the name of any other person or entity in the d) is sold for taxes or assessments, or (iii) is sold by virtue of operty Sale"). Compensation for property taken pursuant to the dal interest within the meaning of this Part D.
Does the Matter involve a	City Property Sale?	
[] Yes	X] No	
•	Yes" to Item D.l., provide the natterest and identify the nature of	mes and business addresses of the City officials or such interest:
Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

Page 8 of 13

comply with these disclosure requirements may make any contract entered into wilh the City in connection with the Matter voidable by the City.

- X 1 The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf ofthe Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the "lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Parly means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt

to influence an officer or employee of any agency, as defined by applicable federal law, a member ofCongress, an officer or employee ofCongress, or an employee of a member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

t] Yes (X] No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (Sec 4! CFR Part 60-2.)

[JYes [JNo

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

[j Yes [] No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[J Yes [JNo

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If you checked "No" to question 1. or 2. above, please provide an explanation:

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SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicaKQ.org/Ethics http://www.cityofchicaKQ.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response lo a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If lhe Matter is a

contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as lhe contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F. 1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SAK Housing, Inc.

(Print or type name of Disclosing Party)

James C. Jenkins

(Print or type name ofperson signing)

Vice President / Treasurer

(Print or type title ofperson signing)

^^LiUA^L^^O

otary Public.

Com n 1 i s s i o n expires:j?'.'-?^Zj^^i. LS1

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ovvnership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected cily official or department head?

[] Yes [X] No

If yes, please idenlify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION 1 - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

A. Sidney A Kohl 2012 Irrevocable Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

OR

2. X a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

OR

- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 340 Royal Poinciana Way. Suite 305
 Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: ijenkinscaeskopb.com

http://ijenkinscaeskopb.com

- D. Name of contact person: James Jenkins
- E. Federal Employer Identification No. (if you have one):
- F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of properly, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification tt N/A

and Contract ii N/A

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SECTION II - DISCLO	OSURE OF OWNERSHIP	P INTERESTS	
A. NATURE OF THE	DISCLOSING PARTY		
corporation (Is the not-for-profit cor	ess corporation	partnership [] Joint venture [] Not-for-profit	
2. For legal entities,	the state (or foreign count	try) of incorporation or organization, if applicable:	
Florida			
3. For legal entities of llinois as a foreign en		e of Illinois: Has the organization registered to do business	in the State
[] Yes	XJ No	[] N/A	
B. IF THE DISCLOSIN	NG PARTY IS A LEGAL	ENTITY:	
profit corporations, also members." For trusts, es If the entily is a gene joint venture, list below	b list below all members, if states or other similar entiteral partnership, limited patthe name and title of each day-to-day management of	executive officers and all directors of the entity. NOTE: For fany, which are legal entities. If there are no such members ties, list below the legal litleholder(s). artnership, limited liability company, limited liability partnership artner, managing member, manager or any other of the Disclosing Party. NOTE: Each legal entity listed below	ership or person or
Name Title Robert Kohl		Trustee	

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2. Please provide the following information concerning each person or entity having a direct or indirect benefic	ial
interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares	in a

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interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. Ifnonc, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name Business Address Percentage Interest in the

corporation, partnership interest in a partnership or joint venture,

Disclosing Party

SK Grandchildren 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 Sole Beneficiary

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes pq No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Parly must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature ofthe relationship, and the total amount ofthe fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

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"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Parly is uncertain whether a disclosure is required under this Section, the Disclosing Parly must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether Business Relationship to Disclosing Party Fees (indicate whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE: to be retained) lobbyist, etc.) "hourly rate" or "t.b.d." is not an acceptable response.

N/A

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

SECTION V - CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[] Yes [X] No [] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

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[]	Yes	[] No					

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any ofthe offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
 - 3. The certifications in subparts 3, 4 and 5 concern:
 - the Disclosing Party;

- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or stale or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Parly, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of U.S. Department of the Treasury or the Bureau of Industry and Security of U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Universified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply will the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party musl explain below:

N/A

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

 N/A
- 9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, ofthe City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

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C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION	

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Parly pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the Cily."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[] Yes |X] No

NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or

employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[] Yes [X] No

3. If you checked "Yes" lo Item D.l., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name Business Address Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please'check either 1. or 2. below. If lhe Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements may make any contract entered into with the City in connection with the Malter voidable by the City.

- X 1
 The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage lo or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying
Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with
respect lo the Matter: (Add sheets if necessary):
None .

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Mailer.)

2. The Disclosing Party has nol spent and will nol expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined I applicable federal law, a member ofCongress, an officer or employee of Congress, or an employee of member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501 (c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

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B. CERTIFICATION	REGARDING EQUAL EMPLOYMENT OPPORTUNITY	
	ly funded, federal regulations require the Applicant and all proposed subcontractors to submit ion with their bids or in writing at the outset of negotiations.	
Is the Disclosing Par	the Applicant?	
[] Yes	rX] No	
If "Yes," answer the	ree questions below:	
1. Have you development of the regulations? (See 41)	loped and do you have on file affirmative action programs pursuant to applicable fed FR Part 60-2.)	leral
[] Yes	L] No	
•	with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Employment Opportunity Commission all reports due under the applicable filing requirements [] No	
3. Have you par opportunity clause?	cipated in any previous contracts or subcontracts subject to the equal	
[] Yes	[] No	
If you checked "No"	question 1. or 2. above, please provide an explanation:	

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SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions.

The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Parly waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party musl supplement this EDS up to the time the City lakes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article 1 of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility musl be kept current for a longer period, as required by Chapter 1-23 and Section 2-J 54-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor arc the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and

will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.L, F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Sidney A Kohl 2012 Irrevocable Family Trust (Print or type name of Disclosing Party)

(Sign here) j

Robert Kohl
(Print or type name ofperson signing)

Trustee
(Print or type title ofperson signing)

Signed and sworn to before me on (date) S^Jj2JI_.

all i^jVn County, f /^/'. ^^. ≤ siliit*)
^Mx.^2U,Z^it/.- -t-S^^v/-Notary Public.

Commission expires: 3"'^,

#■5% MORA MALLOY-BERTRANO MY COMMISSION i FF 07303/->..<y:\£/ EXPIRES- March 24. 2018 "■*fl/i.V/^" Bonit-<iTnni Notary Pubic Underwriters

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any ofthe following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother -in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes IX] No

If yes, please identify below (!) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

The Lawrence Kohl 2013 Family Trust

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1. [] the Applicant OR
- 2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership
- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 340 Royal Poinciana Way, Suite 305
 Palm Beach, FL 33480

C. Telephone: 561-833-5795 Fax: 561-833-3684 Email: ijenkins@eskopb.com

<mailto:ijenkins@eskopb.com>

- D. Name of contact person: James Jenkins
- E. Federal Employer Identification No. (if you have one):
- F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Subordinate financing from the City of Chicago for replacement of existing windows.

G. Which City agency or department is requesting this EDS? Department of Planning and Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification // N/A and Contract # N/A

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SECTION II DISCLOSURE OF OVVNERSHIP	INTERESTS
A. NATURE OF THE DISCLOSING PARTY	
	[] Limited liability company [] Limited liability partnership [] Joint venture [] Not-for-profit corporation (Is the not-for-profit corporation also a 501(c)(3))? [] Yes [] No [] Other (please specify) of incorporation or organization, if applicable: Florida fillinois: Has the organization registered to do business in the State
[] Yes XJ No	[] N/A
B. IF THE DISCLOSING PARTY IS A LEGAL EN	NTITY:
profit corporations, also list below all members, if ar members." For trusts, estates or other similar entities If the entily is a general partnership, limited partnership, limited partnership, list below the name and title of each general	cutive officers and all directors of the entity. NOTE: For not-for- ny, which are legal entities. If there are no such members, write "no s, list below the legal titlcholder(s). hership, limited liability company, limited liability partnership or eneral partner, managing member, manager or any olher person or he Disclosing Party. NOTE: Each legal entity listed below must
Name Title Pentacorp. Inc., Patricia Fadness. President	Trustee

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a

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corporation, partnership interest in a partnership or joint venture,	
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interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name Business Address Percentage Interest in the
Disclosing Party

Lawrence Kohl 340 Royal Poinciana Way, suite 305, Palm Beach, FL 33480 Sole Beneficiary

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[]Yes	pq No
	pq 110

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

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-		whether a disclosure is required uno sure is required or make the disclos	der this Section, the Disclosing Party sinc.
		Page 3 of 13	
Name (indicate whether retained or anticipated to be retained) N/A	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether " paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
(Add sheets if necessary)			
[X] Check here if the	Disclosing I	Party has not retained, nor expe	ects to retain, any such persons or entities.
SECTION V - CERTIFIC	CATIONS		
A. COURT-ORDERED	CHILD SUP	PORT COMPLIANCE	
•		2-415, substantial owners of busine support obligations throughout the	ess entities that contract with the City must contract's term.
• •	•	etly owns 10% or more of the Disclis court of competent jurisdiction?	osing Party been declared in arrearage on any
[] Yes po	(]No	[] No person directly or indirectly Disclosing Party.	y owns 10% or more of the

B. FURTHER CERTIFICATIONS

f j No

compliance with that agreement?

[] Yes

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(\which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Parly certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy lo commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any ofthe offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
 - 3. The certifications in subparts 3, 4 and 5 concern:
 - the Disclosing Party;
 - any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parlies");
 - any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is

controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ovvnership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;

• any responsible official ofthe Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of lhe Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official ofthe Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public
 officer or employee ofthe City, the State of Illinois, or any agency of the federal government or of any state or
 local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Universified List, the Entity Lisl and the Debarred List.

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- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

N/A

9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

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2. If the Disclosing Parly IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the Cily."

If the Disclosing Parly is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

_N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-1 56 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-1 10 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[] Yes [X] No

NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit ofthe City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[] Yes [X] No

3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or

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employees having such interest and identify the nature of such interest:

Name Business Address Nature of Interest

4. The Disclosing Parly further certifies that no prohibited financial interest in the Matter will be acquired by any Cily official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

Page 8 of 13

comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

- X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying

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Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member ofCongress, an officer or employee ofCongress, or an employee of a member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- 4. The Disclosing Party certifies that either: (i) il is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501 (c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- 5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

[] Yes rX] No

If "Yes," answer the three questions below:

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•	•	you have on file affirmative a	action programs pursu	ant to applicable federal
regulations? (See 41	· · · · · · · · · · · · · · · · · · ·			
[] Yes	[] No			
•		Reporting Committee, the Director reployment Opportunity Commiss		
[J Yes	f]No			
3. Have you pa opportunity clause?	rticipated in any p	revious contracts or subcontracts	subject to the equal	
[] Yes	i] No			
If you checked "No"	to question 1. or 2	. above, please provide an explan	ation:	
		Page 10 of 13		
SECTION COMPLIANCE, PI	VII ENALTIES, DISC	ACKNOWLEDGMENTS, LOSURE	CONTRACT	INCORPORATION,
The Disclosing Part	ty understands and	agrees that:		
agreement between t	the Applicant and	l acknowledgments contained in the City in connection with the Macements to the City's execution o	atter, whether procurer	nent, City assistance, or

r to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicaHo.org/Ethics http://www.cityofchicaHo.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating

the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information prov ided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject lo Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

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- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F. 1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.L, F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and

Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as ofthe date furnished to the City.

The Lawrence Kohl Family Trust

Patricia Fadness

(Print or type name ofperson signing)

President

(Print or type title ofperson signing)

Commission expires: "3-.-2*/ f

Paee 12 of 13

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all

principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Parly or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes IX] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity lo which such person is connected; (3) the name and title of the elected city of ficial or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Palm Drive Associates, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

OR

2. <u>04 a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership</u>

OR

- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 21600 Oxnard Street, suite 1200

File #: O2015-758, Version: 1		
-------------------------------	--	--

Woodland Hills, CA 91367

C.	Telephone:	818-668-6800	Fax:	818-668-2828	Email:	Shawn.Horwitz@alliantaapital.com
<m< td=""><td>nailto:Shawn.H</td><td>orwitz@alliantaapital.com></td><td></td><td></td><td></td><td></td></m<>	nailto:Shawn.H	orwitz@alliantaapital.com>				
D.	Name of conta	act person: Shawn Horwitz				
E.	Federal Emplo	oyer Identification No. (if you hav	e one):			
		on of contract, transaction or othe project number and location of p		•	o below a	s the "Matter") to which this EDS
Sı	ubordinate fina	ncing from the Citv of Chicago for	replace	ement of existing	windows.	
G.	Which City ager	ncy or department is requesting this E	DS? De	partment of Planniı	ng and Dev	velopment
	If the Matter is following:	s a contract being handled by the G	City's D	epartment of Pro	curement	Services, please complete the
	Specification #	ŧ N/A	an	nd Contract # N/A	1	
Pag	ge 1 of 13					

SECTION II -- DISCLOSURE OF OVVNERSHIP INTERESTS

A. NATURE OE THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:	
Person	[X]
Publicly registered business corporation	[]
Privately held business corporation	[]
Sole proprietorship	[]
General partnership	(Is
Limited partnership	
Trust	[]

Limited liability company Limited liability partnership Joint venture Not-for-profit corporation

the not-for-profit corporation also a 501(c)(3))?

File #: O2015-758, V e	ersion: 1		
[] Yes []No Other	(please specify)		
2. For legal entities	s, the state (or foreign coun	ntry) of incorporation or organiz	zation, if applicable:
Delaware			
3. For legal entition Illinois as a foreign en		e ofIllinois: Has the organization	on registered to do business in the State of
[] Yes	[X] No	[] N/A	
B. IF THE DISCLOS	ING PARTY IS A LEGAL	ENTITY:	
profit corporations, als members." For trusts, If the entity is a gen venture, list below the	so list below all members, is estates or other similar enti- neral partnership, limited p name and title of each gen o-day management of the D	if any, which are legal entities. ities, list below the legal titleho partnership, limited liability com- neral partner, managing member	tors of the entity. NOTE: For not-for- If there are no such members, write "no older(s). Inpany, limited liability partnership or joint r, manager or any other person or entity egal entity listed below must submit an
Name Title			
Shawn Horwitz		Managing Mem	ber
interest (including own	_	ofthe Disclosing Party. Example	y having a direct or indirect beneficial les of such an interest include shares in a
		Page 2 of 13	
estate or other similar Chicago ("Municipal	entity. If none, state "None		beneficiary-of a-trust,;-: 2-154-030 of the Municipal Code of tion from any applicant which is

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Percentage Interest in the

Business Address

Name

Disclosing Party

<u>Shawn Horwitz</u> <u>21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367</u> <u>50% (Managing Member)</u>

Joanne Horwitz 21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367 50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes |X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature ofthe relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (I) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate-whether Business- •^i.-R.eiati'o'nsMp'fo Disclo^m"g'-P-art-y -Fees (indicate whether - ■ ■-

File #: O2015-758, Versi	on: 1		
retained or anticipated to be retained)	Address	(subcontractor, attorney, lobbyist, etc.)	paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
N/A			
(Add sheets if necessary	·)		
[X] Check here if the	Disclosing	Party has not retained, nor expe	ects to retain, any such persons or entities.
SECTION V - CERTIFI	CATIONS		
A. COURT-ORDERED	CHILD SU	PPORT COMPLIANCE	
•		92-415, substantial owners of busine support obligations throughout the	ss entities that contract with the City must contract's term.
* *	•	ectly owns 10% or more ofthe Disclopis court of competent jurisdiction?	sing Party been declared in arrearage on any
[] Yes 2	X] No	[] No person directly or indirectly Disclosing Party.	owns 10% or more of the
If "Yes," has the person compliance with that agr		a court-approved agreement for payn	nent of all support owed and is the person in
[] Yes [] No		
B. FURTHER CERTIF	ICATIONS		
1. Pursuant to Munic	cipal Code C	hapter 1-23, Article I ("Article I")(w	hich the Applicant should consult for defined

terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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- 2! .TheTiisclosing Party;and, if. the.Disclosing Party is arlegaEentity, .all of tho.seiipejES.pjns^or^ntiJle.s.jsr. identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
 - c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any ofthe offenses set forth in clause B.2.b. of this Section V;
 - d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
 - e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
 - 3. The certifications in subparts 3, 4 and 5 concern:
 - the Disclosing Party;
 - any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
 - any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, wilh the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership: identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
 - any responsible official oi the Disclosing Party, any Contractor or any ,A 1 filiated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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N'elt1ieT'the Disclos hg-f'arty-,-nor-'any Contractor, nor any-Affiliated Entity of eithef-the Discld'sing-Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or ofthe United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

F	ile #·	0201	15-758	Version:	1
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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees ofthe Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, ofthe City of Chicago (if none, indicate with "N/A" or "none").

 N/A
- 9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, ofthe City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

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"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

-MIA

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-1 10 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[] Yes [X] No

NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[] Yes IX] No

3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

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Name	Business Address	Nature of Interest			

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check cither 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements may make any contract entered intawith the City in ,-connection with the Matter voidable by the City.

- X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with

File #: O2015-758, Version: 1
respect to the Matter: (Add sheets if necessary):
None
(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying

Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt lo influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress. an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

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- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.
- The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".
- If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.l. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is 1	the	Disc	losing	Party	the	Ap	plicant?
------	-----	------	--------	-------	-----	----	----------

rXl No []Yes

If "Yes," answer the three questions below:

File #: O2015-758, Version:	-ile	#:	O2015	758	Version:	1
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1	. Have	you	developed	and	do	you	have	on	file	affirmative	action	programs	pursuant	to	applicable	federal
regu	lations?	(See	41 CFR Par	rt 60-	2.)											

[] Yes [] No

- 2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements? []Yes []No
- 3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

[]Yes

f]No

If you checked "No" to question 1. or 2. above, please provide an explanation:

Page 10 of 13

SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Malter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (3 12) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other

transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City lakes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

Page 1 I of 13

- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and

Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Palm Drive Associates, LLC

Shawn Horwitz
(Print or type name ofperson signing)

Managing Member

(Print or type title ofperson signing)

Signed and sworn to before me on (date) 1¹ I (I ^Qi*-?' at LBS fiVVyCS County, CJ*T (state).

r\frV\iC\<r> Notary Public.

Commission expires: C#f>f(^0t7 j/^^' ANUSHSINANIAN "[

Commission # 2042671 I

Notary Public - California I
Page 12 of 13 «^^Z&j^ Los Angeles County 4 """ My Comm. Expires Sep 24. 2017 I
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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section Il.B.l.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general

partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

[] Yes Xj No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

344 Columbia Associates, Ltd.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

OR

2. [X! a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership

OR

3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:

File #: O2015-758, Version: 1		
B. Business address of the Disclosing Party:	21600 Oxnar	rd Street, Suite 1200
B. Business dudiess of the Biselosing Party.		lland Hills. CA 91367
	VVOOd	iand fillis. OA 91007
C. Telephone: 818-668-6800 Fax: 818-668 mailto:scott.kotick@alliantoapital.com	<u>-2828</u>	Email: scott.kotick@alliantoapital.com
D. Name of contact person: Scott Kotick		
E. Federal Employer Identification No. (if you	have one)::	
F. Brief description of contract, transaction or pertains. (Include project number and location o		king (referred to below as the "Malter") to which this EDS applicable):
Subordinate financing from the City of Chicago	o for replacem	ent of existing windows.
G. Which City agency or department is requesti	ng this EDS?	Department of Planning and Development
If the Matter is a contract being handled be following:	by the City's l	Department of Procurement Services, please complete the
Specification # N/A	and C	Contract ii N/A
Page I of 13		
SECTION II - DISCLOSURE OF OWNERSH	IP INTEREST	rs
A. NATURE OF THE DISCLOSING PARTY		
[] Person [] Publicly registered business corporation [] Privately held business corporation [] Sole proprietorship [] General partnership		
(X)Limited partnership[] Trust[] Limited liability company[] Limited liability partnership[] Joint venture		

[] Not-for-profit corporation

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•	t corporation also a 501(c)(3)) [] Other (please specify)	?	
2. For legal entit	cies, the state (or foreign count	ry) of incorporation or organ	nization, if applicable:
Ohio			
3. For legal ent oflllinois as a foreig	_	of Illinois: Flas the organiz	cation registered to do business in the State
[] Yes	[X] No	[] N/A	
B. IF THE DISCLO	OSING PARTY IS A LEGAL	ENTITY:	
profit corporations, members." For trust If the entity is a venture, list below t	also list below all members, its, estates or other similar entitiegeneral partnership, limited pathe name and title of each general y-to-day management of the Distriction.	f any, which are legal entitie ties, list below the legal title artnership, limited liability co eral partner, managing memb	ectors of the entity. NOTE: For not-for- es. If there are no such members, write "no holder(s). ompany, limited liability partnership or joint ber, manager or any other person or entity in legal entity listed below must submit an
Name Title			
Scott Kotick		Man^gingJ^ej	TLber
interest (including o	_	ofthe Disclosing Party. Exam	tity having a direct or indirect beneficial apples of such an interest include shares in a
		Page 2 of 13	

interest of a member or manager in a limited liability company, or interest of a-beneficiary-of a trustr; -estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

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Name	Business Address	Percentage Interest in Disclosing Party	1 the
Scott Kotick	21600 Oxnard St., Suite 1200, Woodland	d Hills, CA 91367	25% (Managing Member)
Myra Kotick	21600 Oxnard St., Suite 1200, Woodland	d Hills, CA 91367	25% (Member)

Kotick Family, LP 21600 Oxnard St., Suite 1200, Woodland Hills, CA 91367 50% (Member)

SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

[] Yes |X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s): N/A

SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects lo retain in connection with the Matter, as well as lhe nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (I) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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File #: O2015-758, Version: 1 Name (indicate whether Business' ~ ^v Relationship to Disclosing Party Fees (indicate-Whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE: lobbyist, etc.) "hourly rate" or "t.b.d." is to be retained) not an acceptable response. N/A (Add sheets if necessary) [X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities. SECTION V -- CERTIFICATIONS A. COURT-ORDERED CHILD SUPPORT COMPLIANCE Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term. Has any person who directly or indirectly owns 10% or more ofthe Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction? []Yes X No No person directly or indirectly owns 10% or more of the

Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[]Yes []No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article 1 ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: if Article i applies to the Applicant, the permanent compliance timeframe in Article I supersedes some fiveyear compliance timeframes in certifications 2 and 3 below.

- 2. "Tlie Disclosing Party and; if the DisclosHng"Party-is; a legal entity, all of those-persons or entities identified in Section II.B. 1. of this EDS:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) wilh committing any ofthe offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, wilh the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively

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"Agents").

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Neither the 'Disclosing Partyprior any Gbntrac-torf^hor any At Yiliated Entity-of=eitherthe'"-Disclosing Party⁵*".--or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee ofthe City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or ofthe United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Universified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-1 56 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

 N1/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

- 8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, of the City of Chicago (if none, indicate with "N/A" or "none").

 N/A
- 9. To the best ofthe Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. N/A

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is |X] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

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"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

Jn|/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-1 10 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

[] Yes LX] No

NOTE: If you checked "Yes" to Item D.l., proceed to Items D.2. and D.3. If you checked "No" to Item D.l., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit ofthe City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

[]Yes |X] No

3. If you checked "Yes" to Item D.l., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

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Name	Business Address	Nature of Interest			

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to

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comply with these disclosure requirements may make any contract entered into with "the City in connection with the Matter voidable by the City.

- X 1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.
- 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if

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IX] No

If "Yes," answer the three questions below:

[]Yes

	•	leveloped and do you 1 CFR Part 60-2.)	have on file affirmative action programs pursuant to applicable federa
•	Yes	[] No	
•	•	•	ting Committee, the Director of the Office of Federal Contract Compliance tunity Commission all reports due under the applicable filing requirements?
3.	Have you p	articipated in any previo	us contracts or subcontracts subject to the equal
oppor	tunity clause?	•	
[]	Yes	[] No	
If you	checked "No	" to question 1. or 2. abo	ove, please provide an explanation:

SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

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- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Malter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entilies seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award

to the City of treble damages.

- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the Cily in connection with the public release of information contained in this EDS and also authorizes the Cily to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Malter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of lhe Municipal Code.

The Disclosing Party represents and warrants that:

Page I I of 13

- F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.
- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.L and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements

contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

(Sign here)

.ScQttJSoiick.

(Print or type name ofperson signing)

Managing Member

(Print or type title ofperson signing)

Signed and sworn to before me on (date) at Uo<,rXrxO^ies County, CJ?X

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.I.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Parly" or any Spouse or Domestic Partner thereof currently have a

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"familial relationship"	" with an elected city official or dep	partment head?
[] Yes	[X] No	
is connected; (3) the r	• • • • • • • • • • • • • • • • • • • •	such person, (2) the name of the legal entity to which such person icial or department head to whom such person has a familial elationship.

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Verizon Credit Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. [] the Applicant

OR

2. [X] a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes i Limited Partnership

OR

- 3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:
- B. Business address of the Disclosing Party: 221 East 37 Street, 7 Floor
 New York NY 10016
- C. Telephone: 646-495-2378 Fax: 21 2-983-0895 Email: Peter .D.Rutherford @ Verizon.Com

File #: O2015-758, Version: 1				
D. Name of contact person: Peter D. Rutherford				
E. Federal Employer Identification No. (if you ha	ve one):		-•	
F. Brief description of contract, transaction or EDS pertains. (Include project number and location	• ,		the "Matter") to which	this
Subordinate financing from the City of Chicago f	or replacement of existing	g windows.		
G. Which City agency or department is requesting	this EDS? Department of	of Planning and De	velopment	
If the Matter is a contract being handled by the following:	City's Department of Pro	ocurement Services	s, please complete the	
Specification it	and Contract //		-	
Page 1 of 13 SECTION II - DISCLOSURE OF OWNERSHIP A. NATURE OF THE DISCLOSING PARTY [] Limited liability company [] Limited liability proporation (Is the not-for-profit corporation also a 501(c)(3))	partnership [] Joint ventu	re f] Not-for-profi	.t	
is the not-for-profit corporation also a 301(c)(3))	<i>:</i>			
[] Person ^] Publicly registered business corporation [] Privately held business corporation [] Sole proprietorship	[1. Indicate the n	ature ofthe Disclosing Pa	ırty:
2. For legal entities, the state (or foreign coun	try) of incorporation or o	organization, if app	licable:	
Delaware				

3. For legal entities not organized in the State of llinois: Has the organization registered to do business in the State of llinois as a foreign entity?

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y Yes

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title See Attached

2 Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-1 54-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name

Business Address

Percentage Interest in the
Disclosing Parly

GTE Corporation 140 West Street 1 00% ____

New York, NY 1 0007

SECTION III - BUSINESS RELATIONSHIPS WITH CIT Y ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

File #: O2015-758, Version: 1 [] Yes [X] No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Parly must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature ofthe relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must cither ask the City whether disclosure is required or make the disclosure.

Page 3 of 13

Name (indicate whether Business Relationship to Disclosing Party Fees (indicate whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE: to be retained) lobbyist, etc.) "hourly rate" or "t.b.d." is not an acceptable response.

(Add sheets if necessary)

[X] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

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SECTION V -- CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

• •	•	directly owns 10% or more of the Disclosing Party been declared in arrearage on any linois court of competent jurisdiction?
[] Yes	[^No	[] No person directly or indirectly owns 10% or more of the Disclosing Party.
· ·	person entered in that agreement?	to a court-approved agreement for payment of all support owed and is the person in
J Yes	[] No	

B. FURTHER CERTIFICATIONS

- 1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the Cily, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee ofthe City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.
- 2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.l. of this EDS:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, stale or local unit of government;
 - b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of

records; making false statements; or receiving stolen property;

- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any ofthe offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.
- 3. The certifications in subparts 3, 4 and 5 concern:
- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection wilh the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parlies");
- any "Affiliated Entity" (meaning a person or entily that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business wilh federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Page S of 13

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or ad judged guilty of bribery or attempting to bribe, a public
officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or
local government in the United States of America, in that officer's or employee's official capacity;

- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).
- 4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.
- 5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Universified List, the Entity List and the Debarred List.
- 6. The Disclosing Party understands and shall comply with the applicable requirements ol"Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.
- 7. If the Disclosing Party is unable to certify to any ofthe above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

TV. .. /: ~J' 1'> I'dUC U UI 1 J

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

8. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all current employees of the Disclosing Party who were, at any time during the 12-month period preceding the execution date of this EDS, an employee, or elected or appointed official, ofthe City of Chicago (if none, indicate with "N/A" or "none"). None

Fi	le	#:	O201	15-7	'58, '	٧	ersi	ion	:	1
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9. To the best of the Disclosing Party's knowledge after reasonable inquiry, the following is a complete list of all gifts that the Disclosing Party has given or caused to be given, at any time during the 12-month period preceding the execution date of this EDS, to an employee, or elected or appointed official, of the City of Chicago. For purposes of this statement, a "gift" does not include: (i) anything made generally available to City employees or to the general public, or (ii) food or drink provided in the course of official City business and having a retail value of less than \$20 per recipient (if none, indicate with "N/A" or "none"). As to any gift listed below, please also list the name of the City recipient. None

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

- 1. The Disclosing Party certifies that the Disclosing Party (check one)
- 1. [] is [x] is not
- a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.
 - 2. If the Disclosing Parly IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business wilh the City."

If the Disclosing Party is unable lo make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

File #: O2015-758, Ve	File #: O2015-758, Version: 1						
		cipal Code: Docs any official or employee of the City have a any other person or entity in the Matter? Upon knowledge					
NOTE: If you checked Part E.	ed "Yes" to Item D.l., proceed to Item	s D.2. and D.3. If you checked "No" to Item D. I., proceed to					
employee shall have a purchase of any prope legal process at the su	financial interest in his or her own naturty that (i) belongs to the City, or (ii) it of the City (collectively, "City Proposition").	dding, or otherwise permitted, no City elected official or ame or in the name of any other person or entity in the is sold for taxes or assessments, or (iii) is sold by virtue of erty Sale"). Compensation for property taken pursuant to the l interest within the meaning of this Part D.					
Does the Matter invol	ve a City Property Sale?						
[] Yes fc]No							
-	d "Yes" to Item D.l., provide the name th interest and identify the nature of su	es and business addresses ofthe City officials or uch interest:					
Name	Business Address	Nature of Interest					
4. The Disclosing City official or emplo	•	bited financial interest in the Matter will be acquired by any					
E. CERTIFICATION	REGARDING SLAVERY ERA BU	SINESS					
	er 1. or 2. below. If the Disclosing Pa EDS all information required by parag	arty checks 2., the Disclosing Party must disclose below or ingraph 2. Failure to					
comply with these dis	closure requirements may make any o	contract entered into with the City in connection with					

Parly and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage

1 ■ The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing

the Matter voidable by the City.

for damage to or injury or death of their slaves), and the Disclosing Party has found no such records, verification is based on a cursory i of some records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary): None

(if no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

- 2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.l. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member ofCongress, an officer or employee ofCongress, or an employee of a member ofCongress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.
- 3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.l. and A.2. above.

File #: O2015-758, Ve	ersion: 1
Revenue Code of 198	g Party certifies that cither: (i) it is not an organization described in section 501(c)(4) of the Interna 6; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 and will not engage in "Lobbying Activities".
substance to paragraph Disclosing Party must	ng Party is the Applicant, the Disclosing Party must obtain certifications equal in form and hs A.l. through A.4. above from all subcontractors before it awards any subcontract and the maintain all such subcontractors' certifications for the duration of the Matter and must make such y available to the City upon request.
B. CERTIFICATION	REGARDING EQUAL EMPLOYMENT OPPORTUNITY
	lly funded, federal regulations require the Applicant and all proposed subcontractors to submit tion with their bids or in writing at the outset of negotiations.
Is the Disclosing Party	y the Applicant?
[] Yes	fe] No
If "Yes," answer the t	nree questions below:
1. Have you devregulations? (See 41 C	reloped and do you have on file affirmative action programs pursuant to applicable federa CFR Part 60-2.) [] No
•	with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance al Employment Opportunity Commission all reports due under the applicable filing requirements? [] No
3. liave you part opportunity clause?	icipated in any previous contracts or subcontracts subject to the equal
[j Yes	[] No
If you checked "No" t	o question 1 or 2 above please provide an explanation:

SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Malter, whether procurement, City assistance, or other City action, and arc material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics http://www.cityofchicago.org/Ethics, and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

- C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.
- D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all ofthe information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Parly waives and releases any possible rights or claims which it may have against the Cily in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- E. The information provided in this EDS must be kept current. In the evenl of changes, the Disclosing Party must supplement this EDS up to the lime lhe City takes action on lhe Malter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 ofthe Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses'), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

n.w..-. // .n r / ^.

F.1. The Disclosing Parly is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge

owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

- F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.
- F 3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City, to the best of my knowledge.

```
Verizon Credit Inc. (Print or type name of TSTITysiTi'g-E.arty.).
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By.

Peter D: Rutherford

(Print or type name ofperson signing)

Senior Vice President-Transactions and Portfolio Management (Print or type title ofperson signing)

Signed and sworn to before me on (date) December 5, 201 4, al New York County, New York (state).

Commission expires: Paee 12 of 13

MARVA LEVINE Notary Public, State of New York No. 02LE-4818478 Qualified in New York County Commission Expires February 28, 20 *S"

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND

AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED C ITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is (o be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as ofthe date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother -in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.I.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" wilh an elected city official or department head"

[J Yes [] No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city of ficial or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

Verizon Credit Inc. -

Name
Cordy, Scoll L.
Ellis, Matthew D.
Golabek, Michael J.
Jankun, Richard P.
Krakowski, Richard F.

Krausc, Tracy

Levine, Marva M.

Manniello, Mario

Mason, J. Daniel

Mattiola, Paul L.

Metzger, Kathleen

Meyer, Bonnie M.

Perrett, Londa C.

Prashker, Audrey E.

Repp, Paul H.

Rutherford, Peter D.

Title

Vice President - Taxes Chairman of the Board Environmental Health and

Safety Officer

Vice President - Taxes

Senior Vice President - Chief Financial Officer and Risk Management, and Assistant Treasurer

Treasurer

Vice President - Assistant General Counsel and Secretary

Vice President - Taxes

Assistant Secretary

Vice President - Taxes

Vice President - Taxes

Vice President - Affiliate Vendor Finance

Assistant Secretary

Vice President and General Counsel

President and Chief Executive Officer

Senior Vice President - Transactions and Portfolio Management

Verizon Credit Inc. -

Name

Ellis, Matthew D.

Repp, Paul H.

Van Saders, William P.

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

File #: O2015-758, Version: 1	
SECTION 1 GENERAL INFORMATION	
A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable: Verizon	
Communications, Inc.	
Check ONE of the following three boxes:	
Indicate whether the Disclosing Party submitting this EDS is: 1. [] the Applicant OR	
2. [X] a legal entity holding a direct or indirect interest in the Applicant. Stale the legal name of the Applicant in which the Disclosing Party holds an interest: Hilliard Homes I Limited Partnership OR	
3. [] a legal entity with a right of control (see Section II.B.l.) State the legal name of the entity in which the Disclosing Party holds a right of control:	
B. Business address of the Disclosing Party: 221 East 37 Street. 7th floor	
New York, NY 10016	
C. Telephone: 646-495-2378 Fax: 212-983-0895 Email: peter.d.rutherford@verizon	.com
<mailto:peter.d.rutherford@verizon.com></mailto:peter.d.rutherford@verizon.com>	
D. Name of contact person: Peter.D.Rutherford	
E. Federal Employer Identification No. (if you have one):, _ /	
F. Brief description of contract, transaction or other undertaking (referred to below as the "Malter") to which EDS pertains. (Include project number and location of property, if applicable):	this
Subordinate financing from the City of Chicago for replacement of existing windows.	
G. Which City agency or department is requesting this EDS? Department of Planning and Development	
Jf the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:	

Specification #

Page 1 of 13

and Contract #

Condensed Consolidated Statements of Income

S.277 4,K>7 J2 925 I hi er Munths Kndt dNinr Months Kndcd

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, ».C. 20549 FORM 10-Q

OUAK/EKLYREPOK J PURMJAN1 TO SECTION 13 OR 15(d) OI" THE SECUR ITII-S EXCHANGE ACT OT 1934 Foi the quantity pcnod Liidcd Scpiemhor 30, 2014

TRANSITION RF.Pi iRT PirRSOANT TO SECTION 13, OR 15(d) 01" Till- SECURI'I IES EXCHANGE ACT OK 1934 Foi Hie iriniiiion ponod iioni lo Cn minis.-.1 on file minibct I-K606 Verizon Communications Inc. 23-2:59884 (IRS EmployLt Identification No 1 (L\aci name of lejjt^iiani a-, spi'cilied in us charter) 10036 (Zip Code) (Sl.slc it mhfi muimI 1095 AMnut of the VmcrKJi Net* York, Ni »* Voii (AddiciMif piiiicipal executive- offices) Registrant't telephone number, including area cede: (112)395-1000 Inrisraic hv check mark whichci the icgisiMii ||) ha* filed all re pons required to be filed by Sccuon 13 or I 5(d) of the Sccunucs ExLhange Act of 19.14 during she pirining 12 mon;hk (or lor <iuh shorter period ih.it <http://ih.it> th* reentrant was required to file <uch repoils). and (2)hjs been subject to such filing legutroments for the pail 'JO days CD Yes DNo Indicate by cheek mark whether the registrant has submitted electronically and polled on its corporate Web me. if any, every lilicractive Data File required to be submitted and posted pursuant ta Rule 40\$ of Regulation S-T (\$232 403 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) 13 \lors D No IrdiiVie h) check m.ilk wheihei ihe registrant i" a large accelerated Jiler, an accelerated litci, a uon-accelerated filer oi a smaller reporting company See the definition" ui " laigc ancicraied filer" accelerated filer" and "smaller reporting i orupany" in Rule 12b-2 offine Exchange Aci Laifc accelerated tiler EJ $\mbox{Non-accelerated filer } \mbox{G} \mbox{ (Do nol cbcik if a smaller reporting company)}$ Accelerated Titer

Smaller reporting company Indicate by check mark whether tile registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) use H *t September 30, 2014, 4 149.723,706 ahaiei of the registrant's common stock were outstanding, after deducting 92.650.534 udure-, held m treasury. P\KT 1 - FINANCIAL INFORM ATION Item 1. I m4iici.il http://m4iici.il Statements (linaiidifrd) Condensed Con (nil d.i lid Slatfrmnh of Income Condi.n*cd Consolidated Statements of Comprehensive Income Thief and itun-monlhi v»M SrjHrmhri W 201J mul .-OJ t Ai Srpirm!,, , >0 20! J a,...! L'n ,-mhci Jl 201 i Condensed Consult da led Statcim nt*. ol Cash Rons A;i]("n«in/i, rnJeJ Stpumhu .ii) 2il! 4 ,i,<J 20! .< Notes to Condensed Onsolidjird Km incial Stiunirtus Item 1 Ma na Yemeni's Ijisco<isi<in and Analysi" of Linanciul Condition and Kt-Milfi inf OlirT. Item 3 Ouantitatu e jnd Qualitriftiv c Ijisc1(i»it i s Ahuut Mjikt Kisk Item 4 Colition and Tumduni PAKT II OTHF.k INFORMATION Item I Legal Pro*reding* Item 1A Knk l'acturs Item 2 Unregistered Sales <M EilUin Sei untu-s and I'sr of Procycds Signature Condensed Consolidated Statements of Comprehensive Income Vernon Communications Inc and Subsidiaries¹ Opi i liniu Ktpi r I mat f.tpt-irfiinv r.spii Opel itius liimnie

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September .10. 2014 2»13

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                                                                                                                                                                                                                                                                                                                                    September 30,
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                                                                                                                                                                      Condensed Consolidated Balance Sheets
 Ven^on Communications Inc and Subsidiaries
Condensed Consolidated SlalenitHI* of Cjili Flows
                                                                                                                                                                    Ven/on Communication; Inc and Subsidiaries
     iilliijns exiept per shjic amounts) (unaudited)
 funcnt assets
-f$n4fiaiidSr.45
13.2S3 1,2uf. 2.43 I
Cavh and cash equivalents Shon-iciin uive-imenti Accounts receivable net of all In-, i munes 230.452\ 140.520
     Prepaid expenses and oth.-r
  24,61 7 5.73R 5.1 I?
 l'Sarii property and equipment I.irsi. accumulated ikpit'i la'mn
Inicimeni* in une on soliiJrr.cc! business 22 (>.2 91
Olhef iniangihlf assets, i Other assi li 1.1.03 17.(155 8,231
   'umnt liabilities IXhi maiming u nhni o Accounts pay.iblc and;
    Othu Total cu
Employee benefit obligations
Deferred income taw
                                                                                                                                               25.770
42.289
 Olher liabilities
    Sefies picienod stiu k (1 10 p.ir \ iihir none issued)

Common stuck (S 10 par value, 4,242.374,240 and 2.967.610,119 shares issued in
                                                                                                                                                                                                                                       each period, respectively)
                                                                                                                                                                                                                                                                                                                                                                                      424
                                                                                                                                           11,089
6,964
1.175
    Contributed capital
Reinvested carnings
Accumulated othercomprehentive income
Common stock in treasury, at cost
Deferred compensation - employee. Hock ownership plans and other
Noncontrolling interests
                                                                                                                                         (.3.465)
390
IJ91
Total liabilities and equity
                                                                                                                                          17,968
226.293
AC December II.
                                                                                                                                                                                                                                                                                                                                                                                   2013
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3.933 16 453 6.664

X9.658 27.682 211.639 5.653

297 37,939 1.782 2.3 S 8 (3-Mlj 421 56.580

(dollars in millions! (unaudited)

Cash Flom from Operating Activities

Net Income
operating ariiv tites
Adjustments in icruiiule net uu unit to nei cash pin¹ Depreciation and amor i7.it ">ion expense Knipluvec lelivmivit hen"its Deterred inrome taxes Provision tor uncollectible accounts Equity in earning] of unconsolidated hilMicises. net o(i Changes in cuiient nsseis' and liabilities rsci
of ellecis he Other, net

Cash thinsfrom Investing Activities

Capital e\j crid:lu:es (including capitalized sofcu-are) Acquisition! of iniestmenis and businesses net of eash acqui Acquisitions of w neles, In.enses

l'iocceds rioni dispositions ol uncless lice nses

Proceeds from dispositions o(business

Not cash used in investing activities

Caih Flows from Financing Activities

Proceeds from sale of common stock Purchase of common slock for treasury Special distribution to noncuntjoiling interest Acquisition of noncontrolling interest Occurrent mammies Div ident', paid Proceeds from sale of common stock Purchase of common slock for treasury Special distribution to noncuntjoiling interest Acquisition of noncontrolling interest Occurrent Mammies Divident', paid

Net cash provided by lused in) financing acln ilies

Increase (decicase) in cash and cash equivalent! Cash and cash equivalents, beginning of penod Cash and cash equivalents, end of penod

Sec Notes to Condensed Consolidated Financial Statements

Nine Months Knded September 3U, 2014 2013 (100) (I 07X) (2>9i)

it,785.1 («|fi)

(410, 2.11 1 2 I 575 112,-594) (426) tS.ftS3)

(12 f-2-) (180) (341)

49 166 (2.392) (324) <4,420) 76 (151) (3.150) 53.617 3.093 (58.886) (3 087)

(46.310) 53,528 \$ 7.218 S 56,710

Sec Notes to Condensed Consolidated Financial States

Seplembe* 3D. 2014 Outstanding options to purchase shares that were, not included in like compulation of diluted earnings per common share, because to do so would have been anti-dilutive for the penod, were not significant for like nine months ended September 30. 2013 respectively

Notts lo Condensed Consolidated Financial Statements

Verizon Communications Inc. and Subsidiaries (Unaudited)

Trie accompanying l\ciianr.c t'oirums-. ac<.tn.i:1ini: pcliLli i

ii ondraved consobdaird financial statement have been prepared based upon Set unties and tha! pi min ieduced di>closuze fot inli/mn pi.i-oiU \text{stati}/pi.i-oiU> For a moie compl-te discussion of signilic art. ijin i.li.i milmilium y>m slumM n-fri to lite (mannal ii.iti.nwms \text{-stati}/mi) ii.i.fi.c "ii.mi," and a Report on I-um U}-k tor the y-pare ended licecembei ii. 2013 The-c rin-liv ii-fleet iiljusin/ii ii.i.i.i." and presentation of 'csults of operations and financial condition hi pounds sho'.m in hijiji' normal ne cuitiiig accruals and uthii items Tite results for the ml mm period* aic not uniquifive ul i.-lii." pi 1-li hi fill live. if life!//.i.i.i. hi ii... iii. | line | life!//.i.i. hi ii... | lill | lill

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 2 At qiisiions and lh\rsitirev Wireless On February 21, 2014, pursuant to the terms and subject to the conditions set forth outstanding capital slock (the Talanderid Shares) of Vodatione Americas Finance I inc a Purchased Emitted on the Vodatione Interest in consideration for the Transferred Shares, tn lhe Stoc subsidiary of Table of CaateDH

billion (the Verizon Notes), (iv) sold Verizon's milicatly owned 23 1% interest in Volatione Omnite! NV (Omnite!, and such interest, waved at S3 5 billion and fv) provided other consideration, which included the assumption of preferred stock valued at approximately 51 7 billion 1ile total cash paid to Volatione and the other costs of the Wireless Transaction, including financing, legal and bank fees, were financed through the incurrence of third party indebtedness See Note 4 fin additional information

air cail of the necuarbolism. Indexed to related the change of 11 (Memority conversibly indexed in the fair and 14, flay denied in the law value i. The consider j. 1.11 paid on "the unto mil. by hinds life. neconificilities it is illished to ta "corn recognicici" in o-q law ithinibilities to Volizor: exchange, we received by 50 hillion AVRN on PCS Spectures beneates and fair values and the recorded an immediate gian.

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di: I , Mit.-r. Mil-l Will mand Y,d.ir.,n. also . .risMminisaled trie sale ot II, Chrilliel lud-est (the OmiMel Tann.s .1 110:11 by a "uhoida) of Vendor, lo .1 jilbolcinary of Vodaloric in connection with the Wireless Transaction parawnit to a separate harve pur li- ic tigicinien; A- a result, during In>- nine months ended September 30, 2014, we recognited a pre-tax gain ni S] 9 billion on lie ci.pol. of, hillionnolinested interconsistent forum considerate unknesses on OTILO substances accounts to the consistency of the

the \ critical Notes unic lasted to Vodalonic pulsuant to Vollimin's colling indentile. He Vertzon Notes welc issued 111 two m p.o.liu s, m s -ral, s; \ \text{L.1.} Jm l _beruly 21 and \$2.2 \ \text{billion} due Ferinity 2 \ \ \ \text{2025} (the elsi 1 11 v-cal Vmlot. Note). The U11/L111 Notes has interest at a fin at me lake which will be lessel quantorly, with both xining May 21. UOA The 1 lightycar Vorn'in Notes bear interest at a footing rate equal to bree-month p.7.d.r. Inicial_ist tillered Mate U.H.P >4), phas 1 222V, and bear interest at a floating rate equal to bree <--nil LBst \(\text{if} \) (liv., 1 _A72I, 1 be indenture 11,11 g.P.l erri lile \ en or. Notes contains contain negative lovemans.

- and _1 meeper or millile + \text{Lit.} \) (millile + \text{Lit.} \) (liv. | (milling in a ray c similar events of default lot cities series ofthe Vorzoti Notes m.n n \(\text{If} \) 1 if it is elisation of the call the containing of the call he contained in the containing of the call the containing of the containing of the call the containing the call the containing of the call the c

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1111 fulled a uutril>.-r o; s..ap- ih.n »e ev^rci i.:|! res-iir 10 more cfinicril use of ilie AWS and ft.'s hands a,s j x("n "| _lx"

Dining the second quarter of 2014, we completed I ran 1ct min pursuant to tmi) addition ji agieernents Willi T-Mohile USA with respect in our remaining 700 MIL A block spectrum licenses Undei one agreement, we sold conain of these licenses to T-Mobile USA in exchange tor cads consideration of page sector Quality and the line sectors agreement we exchange during the management of the line sectors agreement we exchange during the management of our 700 Miles believes as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses As a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as a result, vie sective dSI 6 billion of AWS and PCS spectrum licenses as well as AWS and PCS spectrum licenses as a result as

During September 2014 we entered into a licetic exchange agreement with affiliates oi AT&T hit to exchange renath AWS and PCS sjectnnn licenses Thi* non-cash exchange, which is subject to appro* at bj the Federal Communications Commission (I°CC) and othic customai) do sine, eunditions, is ex pee led to close in lhe lira quartet of 2015 1, pim completion of the transaction we expect io record an immaterial gain

Changes in the cany ing amount of Goodw ill aie as follows

(dollars in millions) Balance at January 1, 2014 Acquisition*fNotc 2) Dispositions (Notc 2) Reclassifications, ac'ius'merirs and other Balance at Scotcmhcr 3ft, 2(114

Other Intaligihlr Assets

The following table d;-pla>s the composition of (nhet intangible assets net

Wireless Wireline

258 S 24 h34

S IN 301 S fi.226 S 24.M7

On July I 2014, we sold a nun-simie-jtic Wiiclini business, winch provide* communications solutions to a variety of go agencies, foi net cash pioei-i'ds of SO I bilhon and leeoided an iminaicnal gum

During rehruaiy 2014. YVnzon acquired a hircincss dedicated to the development of Internet froiocol tIP) telcviMon foi cash cunsidetalinr-, that was not .snj"inearu

On Octobel 7 2014. Redbox Instant by Veilión a lenluie bolwen Voníon and Redbox Automated Retail LLC (Redfooxl, a wholly -owned subsidiary of Outrwall Ine . ceased pros iding seix'u.e to its i ustomers In accordaru e with an agreement belween the parties Redbox w-ilbdic>* hom like venntro on Octobel 211, 2014 and Vonion will wind down and dissolve the venture during thr next lew months As a result of the termination of the vei:luie. we expect to irecid a pie-lax loss of appioximately \$0.1 billion in the fourth quanei of 2014 12 K41

(dollars in millions) Dthviire O to 7 years

Customer lists (5 lo 13 years) Non-network internal Other (2 to 25 years) Total

ir Other intangible

7. he estimated futuic amortization expense for Other intangible a

(2.870) S 7fi4 (8.1 K3| 4eS58 (34yj 3it»

Cross Accumulated Net Amount Ainorii nation Amount

3.b39 S 12 of.fi 3.b39 S 12 of.fi 5 979 <u>I I 770 (7 317) 4.453</u> (i91 t'323) 3r>K Nine Months Ended Septembet .10,

(1 1.402) S 5 73h S 16 100 S 110.300) S 5.800 1.178 1.183

Three Months Kndtd September 30,

rs, Goodwill and Other Intangible Assets

Changes in the carrying amount of Wireless licenses are as follows

Balance at January 1, 2014 S 75.747 Acquisitions (Note 2J

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Dispositions (Note 2)
(. apiiah/cd interest on wncless licenses (I "7M Reclassifications, adjustments and other 934

Reclassifications, adjustments and other includes the exchanges of wireless licenses in 2014 as well as SO 3 billion of Wireless licenses ihai are classified ai held foi sale and included in Prepaid expenses and other on our condensed consolidated balance sheet at September 30,2014 (see Note 2 for additional details).

At September 30. 20)4, appioximately S2 2 hilhon of Wireless licenses svere underdevelopment for commercial service foi which ive weic capitalizing interest costs

Remainder of 2014 2015 2016 2017 2018

(dollar? in millions)

40] 1,379 1.145 959 795

Debt Maturing Long-term within One War Debt Total

Changes to dehi during the nine months ended September 30, 2014 are as follows (dollar* in millions I

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[la lam i- ai September H). 2III4

I.t.03 S 107.027 > 101.) 230

i.bii.g.; ...>iu.i> "III J is, is.m.d">1 T it.ii. si, g.n, pr.neip.il ~http://neip.ii> amount of 2 V/if. Note* doe 2D22 f125 billion ag.gic>a1e

On Maiih 10 2014. we announced the M'iie*of.i.r.* n listed in the following lahii
::-..iu ipal autourit of * 2"V M/T.* v due 2"p2f1, ud t it 35 i.ilium aggicgate pmieipal ailiuum of 1.7 % Notes dii 2thd *The issuance of these Notes usulled tr. cash pioneds of jppio e::n.tlely 55-1 billion, net of discounts and issuance costs The net proceeds were used ::: pan to finance tin Wnrfcs Transaction Not piorrds not used to finance the Wireless Transaction were used dit reperal ...* -\folion p.irp....- Also lium; 'lebi-i.uy 2111 1 we issued JO > billion .iggri.g.ilc principal anionn: of 5 %." Notes due 20". J. ecylling in ,a-h [uo.i-l-ds i-l appioxiir: He-. So ?** hilhi.n ncl of discounts and issiluier nists lile ncl p meeds weir used for [icneral corporaic purpose-.

rnt of j lendei offei ttlie Tendei Offei) to puit hase loi cwish any and all of the

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Kale Maturity Outslandmf Puce"

set quarterly, \$0.5 billion aggregate pnncipai amount of 2.55% Notes due 20)9, SI 0 billion aggregate pnncipai amount of 4.55% Notes due 2021, SI 0 billion aggregate pnncipai amount of 4.15% Notes due 2024 and \$1.25 billion aggregate pnncipai amount of S 05V. Notes due 20.14 During March 2014 ihe net proceeds were used to purchase notes in the Tondel Offer described abov e jed Job; I.I. prineipal a c Not old the control of the control of the control of the c Not old the control of the co

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SO •) bii!i..r lemberiON nriiali-uai an

During Maich 2014, Ven/on Wireless icileemeil 11 25 billion aggregate pruuipal amount offite Celico rjfneii-hip and Vcn/on Wureless t.apual LLC K Mi*-, Note-, due 2d H a: 127!.5% of the runup;! am:mm ot su. li nuies plus accreed and unpaid injects tsre Farly Dchl Redemption.) Also, Juring Xiaieh J(H J J 1 0 lull; m of UHOK p'.us 0 (1-:. Ven'on Conunimication's Notes and SI 5 hillion of I y/% Ven'on Conimiutications Notes injuried and wo_e repaid

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eet ullarik-rly and S2 0 billion agglegitte prilli... pal amount of 1 35V. Nimos due 2017 We used the net ploi...c.is http://ploi.co.is liom the offering of these notes to lopay the 3-Yoal Loans on June 12 2014 " "14



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cognize transfers between levels ofthe fair value hierarchy as of the end of the reporting penod There were no transfers within the fait value hierarchy dunng the nine months ende



Venvun Wireless pie> iou-. Iv entered into truss curreiiey swaps designated as cash llnw hedges in callunge approximately SI Ii lullirii of UiTii.ih Tound Sterling js/d turo-denomriaied debi info US dolljrjrind lo fix run future interest and principal payments in US dollar, as well as 10 mitigate the effect in I foreign currency transaction gains or losses In June 2014, we sell ted SO K billion of these cross cunensy swaps as' pan of the Exchange. Otier and the gain* with iespec'i 10 these swaps weie not mal/tital

^ pomon of ihe gains and losses recognized in Olher comprehensive income (loss) was icclassified in Other income and (expense), net to otlset the related pre tax foreign currency transaction gain or loss on the underlying debt obligations. The fan value of the outstanding swaps was 50 I billion at September 30 201J and waj not maternal at December 31. 2013 During the three and nine months ended September 30 201-1. a pic-tax loss 0 %rf i hn/liou and .m immaternal pre-tax loss. lespectively were recognized fm Other comprehensive income (loss) During the three and nine months ended September 30 201-3. a pre-tax gain of \$0.1 billion ard. 3:1 iirun-oeiial pie-iax loss, iespectively, were recognized 111 Other comprehensive income (loss)

s the granting of slot I. options, sinck appree latum rock units and other awards The maximum number

The Veri/on (nmmunu...linns Inc Long-Term liic-mlive Plan (the 1'lan) pel nghts resinned stock, restocted stock iir.its, peiloimam'e share-, perfirmam of sliaies a va] labk' for awards from the Plan is 119 ft million .shares

I he l'lan pins ides loi giants of Kestnsted Slock Units (RSUs) that generally vest at the end of the third yeai aftei the grant The RSI j are cl₂/c₅; l'ed as equity awards beiause the KSUs will be paid in Ven'on commion slock upon vesting The RSU equity a wauls are measured using the grant date fan c alue of Veil/on 10111111011 slock and are not remeMMired at the end of each reporting penod D" id end equiv .dent units are also paid to participants at ilie time the RSU award is paid, and in the same proportion as the RSU award

The Ilan ak., jnov ides for grants of PeiloRr.ar.ee > Interpt/PeiloRr.ar.ee > Interpt/PeiloRr.ar.ee > Interpt/PeiloRr.ar.ee > Interpt. PeiloRr.ar.ee > Interpt. PeiloRr.ar. jtock as well as performance rrlarive 10 the targets Dn idend equivalent unit* tie also p.xid 10 participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award Restricted Stork Units (shares in thtju ond*)

The Inllovxing table summanzes the Resincted Stock Unit and Performance Slock Unit activity.

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Granted 14JJ40

As of September 30. 2014, unrecognised compensation expense related to lhe unvested portion of outstanding RSUs and PSUs was appioximately SO 5 billion and is expected to be recognized over appioximately two years

The RSUs granted in 2014 have a weighted-average giant date fair value of S47 19 per unit. Employee BeneTils

We maintain uoii-coiambuiory defined heneiil pension plans for many of our employees hi addition we maintain podreiirvuicni health care and liie insurance plans for our renrees and their dependents winch are both coninbutury and non-coninbutory, and include a limn on om share ofthe com foi certain recent and future retirect In accordance with our accounting policy for pension and other positributiciiil bearfits, openning expenses include pension and benefit related credition and ir: charges based on action 1.1] assumptions, including projected discount raises and an estimated return on plan assets art pudated calcularial assumptions. The adjustment with the receffilled in the income islamment duampe fourth untertor or tise-may extense us the ment of very testicant return or plan assets and updated calcularial assumptions. The adjustment with the receffilled on the income islamment duampe fourth untertor or tise-may extense us the ment of very testicant return or plan assets and updated calcularial assumptions. The adjustment with the receffilled may be received in the income islamment duampe fourth untertor or tise-may extense us the ment of very testicant or tise-may extense unterto.

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Nit Periodic Bern lit (Incnine) Cost

The following table summarizes the benefit (mcoi ension Health Cai

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Three .Months Ended September 30, Service cost

rtization ofpnoi seivice cost (credit) Expected return «n plan assets Interest cost

111110 Pen-uun Health Care and Life

Net peiiodif benefit c»M

245 S 2«d S

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ScTvKecost

orti/anon ofpnoi service cost ten IJxpcetcd lelnin t.ri plan assets Inteiest cost

Net periodic benefit (incomelcost

8 130 S (117) S

Pennon Remeasuremenl

Dunng the three and six months ended June 30,2013, we recorded net pre-t-ax pension remeasuremenal credits of approximately SO 2 billion in-accordance with our accounting policy 10 recognize actuarial gams and losses in the pension in which they occur The pension remeasuremenal cridits relate to settlements for employees who received lump-sum distributions. The cicdits were pummanly driven by an approximately 75 basis point increase in our discount rate assumption used the determine the current year liabilities of one of Our pension plans. The change in discount rate resulted m a gam of SO 3 billion partially offset by a loss resulting from the difference between our expected return on assets assumption of 1.5°t at December 3 1. 2012 and our annualized jchual return on assets of 7 2V. at June 30 20)3, as well as other losses (SO t billion) Our weighled-ivriage discount rate assumption increased finm 4 2% at December 3 1. 2012 to 5 0V. al June 30 20 j 3

Dining the three months ended September 30. 2013 as a result of the settlements noted above, we performed a pension remeasurement in accordance with our accounting policy lo recognize actuanal gains and losses in the penod in which they occur This remeasurement was not malen 111 to our condensed consolidated statement of income for the neural

Dunng October 2014, the Society of Actuanes finalized new actuanat tables for applying mortality assumptions to measure qualified defined benefit plan and other post employment benefit obligations. We are currently evaluating the impact these new tables may have on our condensed consolidated financial statements, which may be material.

Severance Payment*

Dunng the three and nine months ended September 30, 2014, we paid severance bene fin of SO 1 billion and \$0.4 billion, respectively At September 30, 2014, we had a remaining severance liability of SO 4 billion, a portion of which includes future contractual payments to employees separated as of September 30, 2014

Fablr •rCantral

Employer

Contributions

Dung the three and nine months ended September 30, 2014, we coninbuicd SO 2 billion and SI 1 billion, respectively, to our other postretirement benefit plans Dunng the three and nine months ended Seplembei 30, 2014, we contributed SO 7 billion and SI 5 billion, respectively to our qualified pension plans The coninbuints to our nonqualified pension plans were SO 1 billion dunng the three and nine months ended September 30, 2014 There have been no makenal changes with respect to the qualified and nonqualified pension contributions in 2014 as previously disclosed in Part II Item 7 Management's Discussion and Ajmlysis of Financial Condition and Kescills of Opeial ions' in our Annual Report on Fomi 10-K for the year ended December 3 1,201?

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(Jtliei cumpieheijsivc loss Comprehensive income

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Total

Othci comprehensive income (loss) $1.158\ S$

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Accumulated Other Coinrichi (The changes in Ihi. b.ibn...cv n£1 (dollar millions)
Balance at January 1.2014
(117) M.1M3)

. Amounts reclassified to net income Nei otbet comptehensive loss Italand at September 30. 2014 10 Segn

The amounts presented above in net othei comprehensive loss aie net of (axes and noncontioUing interests, which aie nol significant Tot ths nine months ended September 30, 2014 the amounts reclassified to net income related to foreign cumency ii.m.laticTTi-acijuitmenw aie included in I-quiVj in timinp Ilusse-i) of unconsolidated bei true sic s on s*ui condensed consolidated statement of income and are a result ofthe completion ofthe Omnitel Transact ion See Note 2 for additional details For the nine months ended September 30, 2014, the amounts reclassified to net income related to defined benefit pension and posiretiicinent plans were included in Cost of services and sales and Selling general and administrative expense on our condensed consolidated statement of income foi the nine months ended September 30, 2014, all other amounts reclassified to net income wete included in Olhei income and U xpense) net on our condensed consolidated statement of income related to defined benefit pension and posiretiicinent plans were included in Olhei income and U xpense) net on our condensed consolidated statement of income related to foreign cumency ii.i.m.laticTTi-acijuitmenw aie included in Cost of services and sales and Selling general and administrative expense on our condensed consolidated statement of income foi the nine months ended September 30, 2014, all other amounts reclassified to net income related to defined benefit pension and posiretiicinent plans were included in Cost of services and sales and Selling general and administrative expense on our condensed consolidated statement of income related to defined benefit pension and posiretiicinent plans were included in Cost of services and sales and Selling general and administrative expense on our condensed consolidated statement of income related to defined benefit pension and posiretiicinent plans were included in Cost of services and sales and selling general and administrative expense on our condensed consolidated statement of income related to defined benefit

it Information

Kepnit*hle Segments

vVf have two u portable segments wlm li we upetate and n We impure and evaluate our reportable sefimems base etreriioH maker's assessmer.i ol se.gmenl perfoimance

On July 1.2014, out Wireline segmer for these operations have been reclass

Cororate, climinations and othet includes unallocated corrorate expenses intersegment eliminations recorded to consolidation the results of othet businesses such as our investments in unconsolidated husmesses, pension and other employee benefit related IOsts lease financing as well as the historical results of divested onciatums and Corporate, cummanous and other incurses uniform incurse comporate element relation to severe a season in reversion of the composition of the compo

divested a non-strategic husiness (see Note 2) Accordingly, the historical Wneline icri to Corporate, eliminations and other in re fled comparable segment operating insults

Our segments and their puncipal activities consul offthe following Segment Description

Wireless' communications products and services include wireless voice and data services and equipment sales, which are provided to consumer, business and government customers across the United States

Wireline's voice, data and video communications product! and enhanced services include broadband video and data, corpotate networking solutions, data center and cloud services, secunly and managed network services and local and Inng distance voice services We provide these products and services to consumers in the United States, as well as to came m. businesses and government customers both in the United States and in over 150 other countnes around the world

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The following lahle provides operating financial information foi

(dollats in millions) External Operating Heve nues

I;qiiipinciil Olhci

Consumer retail Small business Mass Markets

Strategic service Coie Global Lr.teipn-c

Global Wholesale Othet

Total Wiielmc Total segments Corporate, elimination Total consulidaled

ins and other reported

Intersegment Revenues

Wireline

Total segments

Corporate, eliminations and oihei Total consolidated - reported

Total Operating Revenue

Wireless Wireline

Total segments

Total consolidated - reported

Wireline

Reconciling items

Total consolidated - icported

ii two reportable segments

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1 hrci- .Months Ended September 30, 2014 2013

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11.020 1.907 92 224 1.663 1.131 455

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(dollars in millions)
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Total segments

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146,429 84.573 218,578 Q2,2h5)

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they develop and adjust any accrual or disclosure as needed We do nut expect that the ultimate resolution of any pending regulatory or legal mallet in future penods, including the llickwille matter de sen bed below, will have a maternal effect on our financial condition, bul H could have a maternal effect on our financial

Three Months Ended Nine Months Ended

September 30. September 30, 2014 2013 7014 2013

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ee Months Ended Nine Months Ended

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Venzor world hetwoiks reliable workforce of approximately 17H.50I) employees as of September 10 2014 have a highly sktiled. div then pmfissional networks optic network* wuflest infonnation and and Fc additional information <http://er.it>ioi (l.Tf) lableis Wireless in 2013 adding 40 LTE LTE 98% Rural U more LTE 4G cimately million Our (3G) currently sells can operate on XLTE-Nearly 79% of out tola! data traffic in Septembei 2014 was earned on our 4G LTE network unlimited available domesticunlimited minutes text, video 2014.

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In our Wireline business revenues declined 0.8% dumng the three months ended September 30. 2014 compared to the similar penod in 2013 panuanly due to revenue declines in Global Eniceptose Cote and Global Wholesale These decreases were partially offset by revenue increases in Consumer retail diven by FIOS FIOS represented approximately 76% of Consumer retail revenue dumng thr three months ended September 30. 2014 compared to approximately 71% dumng the similar penod in 2013 As the penetration of FIOS products increases, we continue io seek ways io increase revenue and further realize operating and capital efficiencies as well as maximize profitability. As more applications are dev cloped for this high-speed sen ice, we expect that FIOS will become a hult for managing mull i pic home services that will eventually be pan offite digital grid, including not just entertainment anil . omnium, alions but 10,10 Just ent

In this section, we discuss our overall results of operations and highlight items uf a non-operational nature that ate not included in our segment result. We have two reportable segments Wireless and Wncline, which we operate and manage as strategic business units and organize by products and serv ices In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and serv ices In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and serv ices In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and serv ices In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and serv ices In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and serv ices In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and services In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and services In 'Segment Results of Operations, which we operate and manage as strategic business units and organize by products and services In 'Segment Results of Operations, which is a service of the operations and in the operations and in the operations are also as a service of the operations and in the operations are also as a service of the operations and in the operations are also as a service of the operations are also as a service of the operations and in the operations are also as a service of the operations are

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The increase in consolidated leveuues during (he three and nine months ended September 30, 2114 compiled to the similal proods in 2013 was print any due to higher revenues al Windens as well as higher Mass Maryles revenues during the Mass Maryles revenues which well as higher than Maryles revenues and winders are suffered to the similar periods of 2014 compared to the similar periods of 2013 and the suffered to 2013 due to grow hin service revenue and equipment and other revenue The increase in ex-vipic revenue during the little or an Ord. "It is a possible of the completed on the similar periods of 2013 are suffered to 2013 due to grow hin service revenue and equipment and other revenue The increase in ex-vipic revenue during the little or an ord." It is a service of the completed of the similar periods of 2013 are suffered to 2013 due to grow hin service revenue and equipment and other revenue The increase in ex-vipic revenue that the sufficient of the complete of 2013 are sufficient to a service of the sufficient period in 2013 primarily due to an increase in explained to a service of the similar period in 2013 primarily due to an increase in explained to a service of the sufficient period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in explained to the similar period in 2013 primarily due to an increase in ex

Nine Months Ended Sep[CTIII=8] 30. September 30 (dollars in minums: 2014 2013 Consilud tited Operating Income 4.57 12465 [2-12] [Consolidated Operating Income 4.57 12465 [2-12] [Consolidated EBJ111A (2*12)] 1.0 1 M 200 S. 12 32 S I Cs Pension rcinc.-writcineni (2*12) 1.0 1 M 200 S 12 32 S I Cs Pension rcinc.-writcineni (1*10 T 1 W 2014) 1.0 1 W 2014 [2*12] 1.0 1 M 2014 [2*12] 1.0 1 M

similar peliods in 2013 weic a ;rsnji of the faciors desc nhed in connection with operating rc v enur* and opera ling exprnses .MI i ! 1 1

Other Consolidated Resulti-

uity in earnings llossesj ol* unconsolidated businesses decreased SO I hillian dunng the ihree months ended September 30 2014. compared to lhe similar period in 20)3, punuanly due in lhe sale of oui interest tn Vodafone Omnitel NV (Vodafone Omnitel) dunng the liist quarter of 20)4. *hich was pun of the consideration for ihe

c monlhs ended September If), 20 J J. i the sale ot oui interest in Vodafone

I"qmry in earnings (Jos vet) rofuncon.irtbdjird businesses jnevc.isci) 5 J 7 billion dim compared m Hie similar peimd in 2013. primarily due to the gain of SI 9 billion n Onuniel dunr.g the Tint quaner of 2014

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increase/ (Deciease-)

Additional information relating to O'.hci income and (expense), nci is as loi Lows

(dollars in millions Interest income Othci, net fuu;

Nine Months Ended 14 S 14 100 0';. S

September 30, 2014 2013 " S JI 75 h%

72 ! IK29)

1.014 J MO KO IV. S 15 (i% 5 052 204».;

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Pre vision fur imcirnit- taxes Kfft'clivr income tax rate

ne taxes by income be tote lhe provision (or im omr in the effective income lax rate as compared to the nel u si on oi income within our income he fore the , noneonliolling interest in lhe Verizon Wiickss

The rfteelii r income tax rale is calculated by dividing lhe pioi imoo loi met taxes As a result of the completion of the Wireless Transaction the different statutory federal income lax rate will no longer be significant due in the provision loi income uwea that was previously aiiihut.ible to Yodafene partnership Prior lo the completion of the Wireless Transaction, our annual rtleetii e income tax rate was significantly lower than lhe statutory federal junt/lie ji) rale due io the inclusion oj miome arijibuthle Jo VoljJone's nimcojiirollmft mieresi ui the Ven/on Wheless partnership within our income before the pros ision for income laxey, which issulted in our effective income tax late being 16 1 and 15 4 percentage points lower dunne the three and nine months ended Sepiembei 30 2013 respectively

The niciea_c m the piuvision foi income taxes and the cifcetive income tax utc dining the three and nine months ended September .it), 2014 compared to the similar penods in 2013 is pnmanly due io men.and income laxes on the incremental income included in Ven'on's piisi-atquixition income before the provision loi income taxes n'salting from the acquisition of Vodafotic's indirect 45% interest in VenTon Wireless on february 21. 2014 The limease dining the nine months ended September 30. 2014 compared to the similar penod in 2013 waj partially offse-i by the utilization of certain tax credits in the cuncent penod

Uihei inc tunc and (expense), net decreaseil dunng the nine months ended September 3n, 2014 ciunpaied io the snnilai penod in 2013 primarily due to net early debt redemption i o;.* ot SO 9 billion recorded during the titst quanet o| 2014 (see 1 Other Items")

I hree Mouths Knded .September 30 2014 2013

Three Months Kndcd September 30, 2014 20H

At all a kin aw

Nine Monlhs Ended

2013 (Decrease) 2014 (Decrease)

i 5S6 78 7% (1 14) iftOU)

S 56.636 5 3%

S 107.034 S 54.524

Total tnieie's coMs on debt balane es S I ess capitalwed interest costs Total S~

litfectivr interest rate

est costs on deh: balances in teased during the three and n *amilai penods m 2013 primarily due lo the issuance of fixed and flo. "Acquisitions and Divestitures") resulting in an increase in average dehi and a <> partially offsel by a lower ellective mileresi rate (see 'Consolidated Financial Condm dunng the three and nine mouth* ended September 30, 2014 compared to the similar penoda. in wire I ess licenses that are currently under development.

**0 2014 a.d. \$2 I billmn at December 31 ion (after-tax) and \$0.3 billion lalici-lax) at ogn/ed lax beincTils was pannantly due to the r*007 thiough 2H0O p_ri **u11> offset by un in<

013 Interest and penalties September 30. 2014 and solution of issues with the case in unrecognized lax dated to e the

Utueeop.ni7cd Tax IJenelits

Unrecognised tax benefits wet, - Utf billron at Sepiemb related to unrecognized tax henefits were So 2 hi lit rXeembei 31.2013 respectively The decrease Internal Revenue Service (IRS) involving lax benefits related to the acquisition of Voclatone's indirect 45V. ind., rest in Ven'on Walcss The uncertain tax bene tits the acquisition of Vodilone's indirect 45V. indicioi in Ven'im Wireless concern pie acquisition lax controversies and subject of an indemnity from Vodafone for which a conespouding indeitiinty asset has be

Ven/on and/or its substdiances file income tax returns to the US federal jurisdiction, and vanous state, local and foreign jurisdictions As a large taxpayer, we aie under audit by the IRS and multiple state ard loreign juisdictions for vanous open lax years Significant lax examinations ard litigation are ongoing in New York City for tax years as early as 2000 It is reasonably possible thai the amount offine liability for unacogm/cd tax benefits could change by a significant amount in the next twelve months An estimate offine range offine possible change cannot be made until ihese lax matters are further developed or resolved

Nine Monlhs Ended September 30. 2014 2013

Set Income Allnhulable lo

Vnncontrof/inj' Interests

(dollars in millions! \$ 99 \$ 3,346 5(3.247) (97 07% S 2.248 S 9.201 1(6.953) (75 $\$r^*$

The decrease in Net income attributable to noncontrolling interest] dumng the three and nine months ended September 30, 2014 compared to the similar penods in 2013 was panuanly due to the completion of the Wireless Transaction on February 21,2014 As a result. our results reflect our 55% ownership of Venion Wireless through Hie closing of the Wireless Transaction and reflect our full ownership of Venzon Wireless from the closing of the Wireless Transaction through September 30,2014 The noncontrolling interests that remained after the completion of the Wireless Transaction primarily relate to wireless partnership entities

Table afCanir an

We have two reportable segments. Wireless and Wireline, which we operale and manage as strategic husinesi units and organize by products and services We measure and evaluate our re-portable segment operating income. The use of segment operating income is consistent with the chief operating decision maker's assessment of segment performance

Segment fuming! before interest, laxes depreciation and amortiratioii (Segment LHITDAI which is presented below- is ti non-fi measure- ar.d dues not puipon io be an alternate e io opcititing income as a measure of operaring performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investiois and other user-, of om financial information in evaluating operating performance Management believes that this measure is useful to investion and interest the performance Management believes that this measure is useful to investion and interest the performance Management believes that this measure is useful to investion and interest the performance Management believes that this measure is useful to investion and interest the performance Management believes that this measure is useful to investion and interest the performance Management believes that this measure is useful to investion and investion and interest the performance Management believes that the performance Management believes that the performance Management believes that the p

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Our Wireless segment is primanly composed of Celleo Partnership doing business ts Venzon Wireless Celleo Partnership was formed as a joint venture in April 2000 by the combination offthe U.S wireless operations and interests of "Venzon and Vodafone Paoi to the completion offthe Wireless Transaction, Ven/on owned a controlling 55% interest in Verizon Wireless and Vodafone owned the remaining 45% On Kebniary 21. 2014 the Wireless I ran taction was completed and Venzon acquired 100% ownership of Verizon Wireless Vermon Wireless provides wireless communications services across one of the most extensive wireless increoiks in the United Slates

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Nine Months tlndcd Septeinbti 30. 2014 2013

Orhei liquipinent ami olhei Total Operating Kevt-nue

Conne-etions; 000) ■*:

Retail connections Retail postpaid (nincciion

N.-1 additions in period (t"

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Accdi'i'is and Cfina

Retail (non-wholesale) postpaid accounts represent retail eUsiomeis under contract will) Verizon Wireless that aie directly served and nonaged by Verizon Wireless and use lis branded services Accounts include More Juvcryllimg plans and corporate accounts, as well as legacy single connection plans ve monthly wireless services for a s aric-ty of conritted devices Retail connections represent our relail customer device connections Chum is the rate at which service in conne

Ketail connections under an account may include smannhones basic phones tablets and other Internet devices as well as Home Phone¹ Conned and Home f usion We expect to continue to experience retail connection growth based on network, service quality and the strength of our product offerings Retail postpaid connection net additions increased during the three and nine months ended September 10. 20-L compared to the similal periods in 2011 primarily due to an increase in retail postpaid connection grits additions, partially off set by an increase- in our retail postpaid connection enter additions increased during the three and nine months ended September 10. 20-L compared to the similal periods in 2011 primarily due to an increase in retail postpaid connection grits additions, partially off set by an increase- in our retail postpaid connection enter additions increased during the three and nine months ended September 30. 2014. Our retail postpaid connection net additions included approximately 1.074 million and 2 H58 million tabids, respecielisely, as conTared to 2*fi thousand and H?: thousand tablets, respectively m the similal periods in 201 3

Retail postpaid connections per account is calculated by dividing the total number of retail pustpaid connections by the number of retail postpaid accounts as nI line end of the period Retail postpaid connections per at count increased 3 7% as of September 30, 2014 compared to September JO, 20, 3, primarily due to the increased penetration ofiahlets

Vrvice ie venue increased by SO K billion or 4 X*-. and H I billion ui 6 0*. respectively dunng lihe three and nine months ended Sepir-nibn 30. 2014 compaicd to the similar periods n; 201 3 primarily driven by higher retail postpaid service revenue, which increased laigcly as a result of an uili't-a-e in retail postpaid con net I ions as well as ihe-continued increase lu penetration of 40 1.11-1 smaitphones and tablets through our MoiC lis eiyilnng plans lhe penetration ol 40 I.Tli smmlphones was dm en by the activation of smartphories by new eustonieis us "ell as existing customers migiating from basic phones and 3C> smaitphones to 4G 1.11; smartphones

Ihe increase in retail postpaid AKTA which excludes reeumug equipment installment hillings related to Venzon F.dgc dunng the three and nine months ended September 30, 2014 compared to the similar penods in 2013 was pnmanly driven by increases in smati phone penetration and retail postpaid connections per account As of September 30, 2014, we experienced a 3 7% increased a reacount connections per account As of September 30, 2014 compared to 67% as

Other service revenue increased during the three* and tunc months ended September 30, 2014 compared to the similar periods in 2013 due to growth in wholesale connections Operating Expenses

Three Months EndedNine Months Ended

September 30, Increase/ September 30, Increase/ 2014 2013 (Decrease)
1 1º г>41 J 17 102~ S 2.5i<) 14 S%
16991 16915 76 04 Selling general and administrative expense 5.69K
Depreciation and amortization expense 2 139 5.H0I (103) (IK) 2 060 79 3.5 6.307 6 113 194 3 2

Total Operalms Expenses S 1-1 KSO S 13 513 S 1 367 10 I 1.42.93V S.±0.130 \$2509 70

Cost of services and sales increased dumm; the three and nine months ended September 30, 201 4 compared to ihe simila: penods to 2013 primarily due io an increase- in cost of equipment sales of SI - billion, respectively as a result of an increase in the number of tissues sold. The nu lease to ithe nine month, c n.l. d September 20 tJ was also Jue to an increase in cost of field wo it services, partially off-ict by a decrease in cost of data scivin cs and docreaed! J.nj roaming

Selling, general and administrate e expense decreased Jiurig the thiec months ended Sepiembei 30. 2014 compaied io the siiml.u period in 2013 primarily due to a decline of SO I billion in sales commission expense large I v tin v en by the adoption of Venzon i.i.ge

Selling, general and administrative expense increased during (he nine nmrillis ended September 30. 2014 couipjred to the similal pen rid in 2013 primarily due to higher advertising expense and gains recorded in the lili-I quarter of 2013 related to wireless license exchange agreements, partially offset by

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ticpici tiini and amotitration expense i-.v-ic-vied tiuiuicj, ihc IUtcc and time nvoii".li\u00e4 ended September 30. 2014 cmpaicd to the similar periods in 2013 pnmanly driven by un ine rea sf in ncl depreciable assets

Eeiutorfrnl and Other Releilue

Equipment and of m 2013 primarily equipment 35

Venzon Edge

Segment Operating Income and EBITDA

(dollars in millions)

Segment 1.1W I [1 \

Nine Monlhi Ended

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Our Wireline segment provides voice, data and video communications pioducts and enhanced sen tees including broadband video and data, corporate networking solutions data renter and cloud serv ices, sccunty and managed network services and local and long distance voice icivices Wc* piov ide these- products and forvices to consumers in ihc United States, as well us lo earners, businesses and gov eminent customers both in the United States and in over 150 oihei countries around the uorld

>n July 1,20)4, osioncal Uirelnie iesul iiperaiing rcsul;

Segment operating inoimr margin S. unit n' E-lil 1 0 \ st rein «iri

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33 1% 33 0% fn 7% 50 4%

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Opt-rating Revenues and Selected Ojiei aim*; Statistics

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Thi ee Montin Ended Nine Months Ended St pie ni be i 30,

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Global [interpnec Olob.d Wholesale

lotal Operating Revenues

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Whelnie's le-venues di-crossctl ft K% .. Compared to the similar penods in 20'. Surfset by /.lglicr Curisumer id.ul rive:

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,ths ended. Srpic ruber 30 201-1 ■ and U.-kill Wholr-al.- panialh ei-.de¹ Sittemhei 'H 20|4 Hie e;th;n I.lubal I iiterpns

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ami Video), including oi:r l';Ub (j.ui

Tahlr alfeiilmi

Since (Xiob.; i] 2013. we grew our subsenher base by 05 million FiOS litterm.1 subscribers and 04 million FiOS Video siihst rihers. ii-hilr also consistency improving nincliation rales within our FiOS service areas As ol Sepiembei 30 2014 vse achieved penetration rates of-10 d% and 35 5*Pe foi FiOS Imemei and KiUS Video. iiatu-n rale; of 3" 2"/B and 34 9% lor KiOS Inieniet and KiOS Video. respectively, as of Sepiembei 30.2013

Ihe increase in Mass Mark US revenues was parti.dly offset by the decline of local exchange revenues This decline was pnmanly due to a 5 9V. detiine in Consume) iclail voice connections resulting primailly irom competition and lechnology substitution with wiicless. jml competing voice ovci IP, broadband and cable services Total ections include traditional switched if;cens lines and entire and a shirt to both IP and high-speed circuits

Cnst of Sen ices iind Sales

Dunng the ihice months ended September 30, 2014. Cost of seix ice-, and sales decreased compaied to the similai period in 2013 pnmanly due to a decrease in employee costs and a decline in access costs, driven by declines in overall wholesale long distance volumes, which weil- partially offset by an increase in inrileril costs of VO I billion associated wilh eonliiiued liOS suhsenber growth and piogiammtrig license fee increase

During the nine months ended Septemberi 30 2014. Cost of services and sales incieased compared to the similar period in 2013 pnmanly due to an inciease in content costs of SO 3 billion associated with continued PIOS subsenber growth and programming license lie i/icie asse, pifuWy ollsel by a i/iceljiic in employ ei cosls and Iteels tosls dm en by declines in on rail wholesale lung distance v olumes government customers

Global Enterprise reven1 months ended Sepiembe and SO hill, on oi 11 5* circuit-based services sm

ics dencased SO 2 billion of 30, 2014 compared to the s. .. respectively, related to low-, frame relay physical line a

nctuork products and solwiniij. advanced communications services, and huge business customers multinational Corporations iind slate and federal

44Ti, ard SO 3 billion or 3 2% respectively, during the three and nine militar penods in 2013 primarily due to a decline of SO 1 hillhon or 11 e-1 voice services and data networking revenues, which consist t-findilional id legacy voice and data services lhese core services declined compared to the similar penods in 2013 as our customer base continued to migrate to ne: deciense was the contiplion of market rates due to competition and a decline n decrease during the nine tutmlhs ended Se-precuiber 30 2014 cump iird to lite increase in Strategic services invenues of S>0 2 billion, oi 2 (."i... pr. irianly due to cloud and dalj

center nlleiiiigs

Global Wholesale icveuucs decreased \$0.1 billion months ended September 30, 2014 compared 10 t', levenuesand . C decline in domestic wholesale traditional voice revenue decline* are primarily due

cs including data, veiiet and local dial iu;:e jiid broadb.itid services pnmanly r facilities in ptovide services io their customer

i or 4 8*4 and \$0.3 hilhon or 5 6V., respectively, dunng the thice and nine the similar penods in 2013 primarily due io a decline in traditional voice: connections js. >f September 30. 2014 compared to Sepiembei 30, 2013 The ease in minutes of use and lhe c fleet of

technology substitution Also contributing to the decline in voice revenues is the continuing contraction of market rates due to competition Partially offsetting the overall decrease in wholesale revenues were Ethernet migrations from core customers as well as continuing demand for highspeed digital data sen-ices from fiber-io-the-cefl customers upgrading then core data circuits to Tuihemei facilities As a result of the custoinet migrations, at September 30. 2014. the nurr bei of core data encuits exprenenced a 13 7% decline compaied to September *0 2013

Nine Months Ended

2014 2013

11H

Increase/ (Decrease)

Operating Expense

Three Monlhs Ended September 30, 2014 2013

2.04H 1,978 2.094 2,074 6.22 It 6.016 (46) (2 2) PJ6J (4 6) (2X9) (4 4) (238) (3 8) (dollar? in millions)

Cost of services and sales Selling general and administrative expense Depreciation and amortization expense Total Operating Expenses iistraiivc expanse w . genemi and admi ists. primarily as a rt

onustent wiih the simiiai iistr.ittve e.xprnse decreased ;uli of lower headcount This

Selling General tin J ?\ilimnistran\c <file://?\ilimnistran\c> Expense

During the three months ended September 30 2014. Selling general ami admi penod in 2013 During the nine months ended September Hi. 2014, Kellii- j compared to the similar period in 2013 primarily due to declines in employee c decrease was partially offset by higher regulatory expenses ionization expense decreased compared to the

Lh-piecimii'ii andAmoii'imion Expense

During the three and nine months ended September 30, 20H, Depreciation and a sirml.ii penods in 7013 pnmanly due to a dec rease in net depreciable assets Nine- Months Coded

September 30. Increas

2014 2013 (Decrease)

Segment Operating Income and EBITDA (dollar

21ft 0,254

Thre e Muuths Ended September 30. 2014 2013

n millions) (23K) (3«)% S I (.5 2 0 S tIM) (OKI

Office of the City Clerk Page 213 of 320 Printed on 1/15/2024

Segment Operating Income \dd Depreciation and 5 225 \$

amortization expense I 97£ Segment EBITDA S 2.203 S

21% 07*« 23 0% 22 4*.

The changes in the table above duning the three and nine months ended September 30, 2014 compared to the similal penods in 2013 were primarily a result office (actors described in connection with operating revenues and operating exp

I hrre Months Ended Nine Months Ended

(dollars in millions! Impact of divesled operations 2013 2014 2013

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Gain on Spectrum License Transactions

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During the thic and at", horiths ended June 30 201 5, we recorded not pre-face penalen in measurement clodes of approximately 90 2 billiou. In accordance with our accounting policy to recognize actuarist gainty and losses in the period in which they occur. The penalen loha-bilinement credits inside to a estimate penalen policy to recognize actuarist gainty and losses in the period in which they occur. The penalen loha-bilinement credits inside in the period in which they occur. The penalen loha-bilinement credits in the period in the penalen pe

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to meet ongoing operating and in pree for the Wildest Transaction was primally funded by the Insurm Divositute(*). We expeel that our capital spending requirements will confirm to appropriate capital structure to ensure our financial licethility. Our cash and cash equiv alons are primarly held domestically in diversitied accounts and are un olled to maintain prim

Out profery source of lunds brillhose to he cash generated from operations, primarily from out Whelees segment Net cash plovided by operating activities during the nine months ended Septembel 30, 2014 decreased by 68 2 hillion compared to the similar period in 2019 primarily due to a 83 2 billion horsess in hoome tax payment, due to the incremental hooms included in Vendor's locate since the closing office Whelees Transaction and the impact of borns dependent noncreded in 2015 Also contributing to the docrease was 82 50 libilion horsess in history down to the normal duch resided to fund the Wireless Transaction as well as a 81 6 billion horsess to peration contribution. The decline was partially offset by an horsess in semings at out Wholes segment.

rusry 21, 2014, we completed the explaition of Vindefond's Indirect 46V. Interest in Verson Whelees which, emorp riber benefile discussed harein, also prin idea access to the cesh flows of Venton Whelees 1 law log full access to all the rach flows flont our whelees husinos giv as us I is ability to continue to invest in our a and sper flum, meet evolving outcomer requirements for pictuals and services and lable ade anugo of new glowin opportunities across our lines of business

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o in capital it spoudituit e during the r.mo im-utilit ended Sip-cmbel 30 201-1 tabquidd i > the limitar period in 2013 as a" -f.Z.Z.nily Ju, 1, invisionelli-rel lo.lo; 1, e-7.doty ot Hu-Hi 1 [1. lie tw./ft. petit.: 1 y o riser, by low, r capital of you mit furths all Wireline's as n

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The 1 critic (fifter for each apuse of note" was subject to a financing condition, w I all self-te the lended Offici expused on March 17 2014 and - thin m Mar. In accided and unpaid misles; oil the plushased notes was paid to the date of punJ loderaption to alls in t onnection with the Tender Offici (sees I ally D. bt yet

We seek to maintain a mix >> fixed and famable rate debt to lorn! bullouing costs withiul rescenable risk parameters and to protect agreet earning* and ceah liver vol. III
The chance to ceal liver-used in financing som in in during the nine months ended Septembel 10, 101 4 are compared
1, it, - Mintin period in 2M; Will, primar2, -in--, in vt., i.e. "> V III., it as part of the C orable not but lot the Wastern Indiaselon Sec. - Acquillads and (III protone mr. didlind in

nnt Noein rig Kase Notes due 201" that which rate will be leef-t quartern. 10 5 billion aggregate jinnc pun. Ipal amnulir mm (1 J * "m I Not. s Ju.- 2021 S I 25 bill-on agg; , g.

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bei 22. 2014. Wo s.lid 8o 5 billion agglegate pluu ipai amoulii of ft.'.ed lat, r; O. :nbe: 21 2014 We expelT lo receive cash piljeeeits ol approximalely in x;< in.11-in n

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inure: (nj 81 U billion agero;

Venzon mjy continue to acquire debt securities issued by Venzon and its affiliates in the future through upon market puichasex, privaicly negotiated transactions tender oilers exchange ntiers m otherwise, upon such terms and at such prace as Venzon may from time to mmc decienimae for eash or other considera

On Ma; 29, 2014, we announced the commencement of a private exchange oiler (the May I-xrhange Oiler) in exchange up to all Cell* o Partnership and Vilizaii Win less Capital LLC's (O o billion inHsuming "ggicgale pnnupal amount of R K7*>V. Notes due 201 fi (the 20* Old Noies) ft>r Venzon s new sicrling-drijojiwuicd Notes due 2024 /lhe Neiv Noies) and an amnuni of eash This exchange offer has been accounted for as a modification of debt In connect inn with the May lis change Offer, which expired on June 25 20] 4 we issued ft0 7 billion aggregate principal of New Notes and male a cash pay me:it of 122 million in exchange tin 10 (i billion jigiegate prim ipal amount ot tendered 201 fi (iid Notes 1 he New Notes bear interest al a rate of 4 073% per annum

scfOld Notes included in the July Exchange Of fere fc:i the- 2054 New Notes

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15 000 1.750 1.250

Principal Amount Principal Accepted Amount Fur Maturitx. Outstanding Exchange

Concuiient with the issuance of the Netv Ni pay incuts in US dollais (see $\,$ Maikei R isk")

Juh Ex, hang, Otfei∣ The table he |.v.\ lists tire it Old Not

On July 23, 2014, eve announced the commencement of eleven separate private offic-is to exchange (the July lis change Oilers) specified setns m outstanding Notes issued by Venzon and Alltel Corporation (collectively the Old Notes) for new Notes to be issued by Venzon The July Exchange tillers have been accounted for as a modification of debt On AuguO 21, 2014, Venzon issued 53 3 billion ap grevaie principal amount of ? d25% Notes due 2020 (the 2020 New Notes). S4 5 bill inn aggregate puncipal amount of 4 %62% Notes dee 204b (the ?04f. New Notes) and \$5.5 billion aggregate principal amount of 1 012% Notes due 2054 [the 20.*4 NVvs Notesjin saiisf.ieitori of the exchange offici consideration on lend, ted Old Notes (not including ace tired and unpaid ir ierest on the Old Notes) The following, tables list the sense of Old Notes included in the July Lxchange Oilers and the principal amount of cwch such sciic* accepts.1 b) Ven/on for exchange

icludeil in tlie July H» change Oilers tor the 20? i

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Principal Amount Principal Accepted Amount For Maturity Outstanding Exchange

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afOld Notes included m ihe July Exchange Offers for the 2046 New Notes (dollars in millions)
Venzon Communications

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Rate 1.645 794 2033

> 6 8.0% 2029

During hebairary 2014. we diew \$6 6 billion pursuant to a term lo.m agreement with a group of major financial institutions to finance, in part, ihe Wireless Transaction 5.3 3 billion of the loans under the term loan agiccir.cni had a matuity of three years (the 3-Year Loans I and 53 3 billion of the loans under the lein I loan agice irie-ut had a maturity of lit e j e.us (the 5-Vear Loans) Tire 5-Year Loans provide fit the partial amort U.ahoti of principal during the-last two years that they are outstanding Loans under the lenn loan agreement hear interest at floating tales like icnn loan agreement enni.iiii> certain negative covenants, including a negative pledge covenant amore or similar transaction covenant and an accounting changes covenant allimative covenants and events of default that are customary foi companies maintaining an investment grade credit rating In addition, the leim loan agreement requires tir- lo maintain a leverage ratio (a* defined in the lenn loan agreement.! not in excess of 3 50 I 00. until oui credit ratings are equal to or higher than A3 and A- ar Moody's Investors Service and Standard A. Poor s K.itings Services respectively

During June 2014, we issued S3 3 billion aggr. gate puncipai amount of fixed and Iloalui^ rate not.-* icsulii;iw m cash proceeds ut approxumaicly S3 3 billion, net of discounts and issuance costs The issuances consisted offthe following S1 3 billion aggregate punupal amount of Homing Rate Notes due 2017 that will beai iiiien st, u a rate equ.il ">http://equ.il> to three-month LIHOK plus 0 401-w winch will be reset quarterly and S2 0 billion aggregate punupal amount of 1 35% Noies due 2017 We used like net pioceedi from the uffleting of these notes to repay the 3-Year Loans on June 12. 2014

nt, settled the outstanding S3 3 billion of 5-Year Loans and borrowed \$3 3 billion of new loans The new loans mature in July 201" beai interest at a lower inleiest rale and i.tqime lowei amortization payments in 2017 and 201K In connection with the tran settled on a net basis, we recoided approximately SO 5 billion of pioteeds from long-tenn bonowings and of repayments of long-term boriove trigs, respectively

On July 31.2014, we amended our S<S 2 billion credit facility to increase the availability to Jtl. 0 billion and extend the malumy to July 31.2018 Al the same time, we tenunated our \$2 0 billion 364-day revolv ing credit agreement As of September 30 2014, the unused borrowing capacity under thus credit facility was approximately

FailvDeki /iiJemplion

Dung March 2014, wt recorded ned debt redemption costs of \$0.90 billion in connection with ihe early redemption of \$1.25 billion aggregate puncipal amount of Cellco Partnership and Venzon Wireless Capital LLC 8 50% Notes due 2018, and die purchase offite following notes pursuant to the Tender Offer \$O.7 billion of the then outstanding \$1.5 billion aggregate puncipal amount of Venzon \$5.00 killion of the then outstanding \$1.50 killion offite then outstanding \$1.50 killion offite when outstanding \$1.50 killion offite when

Decrease In Cash and Cash Equivalents

ces During the third quarter of 201-1 Venzoi v SI p,: sh.-.rc tr.'rii S f i p, r share in the same penod

The change in Oihei, net financing activities during the nine months ended September 30,2014 compared to the similar penod in 2013 was pnmanly driven by a decline in tax distributions to Vodafone pursuant to the Celloo Partnership agreement As a result of lhe completion of lhe Wireless Transaction, the final tax distribution was made in lhe second quarter of 2014 Partially offsetting the- decline in tax distributions lo Vodafone were nel early debt redemption costs of SO 9 billion

s in pnoi penods dividend payments were a s:gr:iin.in; use i Iloaitl o! Direiiors m.rease.l our qu.:iieil\ divi.i.nd pasmer.is h\ 2<rl i Tins is _-rglr.l, eoti'ce.nivL ee.u that the Hoard h.,s.iy.y.:

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aggregate value of SO 4 billn.n 5/;(-irj//.lriH,m.iroo

In May 20! 3 [[ie Ho.,rd of P.epreseriativ es el Venzoi: Wireless dec I ired ., di,in, uirori io i:..iwners which was paid lit the qualte-i of 20)* in pir-poriion to then p.inricish.p imeicM.s wn the payment date, in the aggregate ainouiil of \$7 0 billior result, Vodari,ti-received a cash p.iyinci.* of \$S: r hilhnri and the remainder of the dismbutuu, was received by Ven'oii

\(\)1 a lesull of the completion of the \(\)\ uvle-s I Luisae lion on Ie bruary 21 2014 we now bat e full ownership of Ven/on W arid will no lunger make "Ceul dislibili". ietr. to Voilatune stors and othet users of Venzon s s ealcitlal. i hi subtracting capitai s Net cash provided by operating

Our Cash and cash equivalents at September 30. 2014 totaled \$7.2 billion, a \$46 3 billion decrease compared to Cash and cash equivalents at December 31,2013 pnmanly as a result of the completion of the Wireless Transaction

tloutlis l.rnh-.l .Sepiembei 30. 2013 Cbani^T x.?S7 S (5.230) L.XD7

Free cash tlow is a non-CiAAP financial measure thai management belit-vt-s is useful to n lir.ancial infonnation in evaluating > asii available to pay debt and dividends free ca-h lh" expenditures from net cash provided by operating activities lhe lullowmi: table i.tonc activ nics io free ea*h [low lo ^M!l S (dt)47)

Nei c ash pun ided by opeianng ai livi:ies Less Capital e x pen di tines (inc biding tarn ilizt'tl Tree rash Hon ot tlie Wuelrs, Ttti

nine mantiis 'nded September 30 2tH4 e t.i:l.aie.! n in income tax payments a 5 billion iiicie.ise u. . intribulions arid liighei capital expenditures Subsequent lo the rouipletn 2014, we now have hill access lo all ol lhe cash flows ce-rici.tled by our wireless bus

it'on HiMid ni [>un;os ejiproved a jlian l'liybj;; pi.iguiii. vvhieli ,iuillio:t't i the repuieliase ot up lo '.ii ; <-n-iii..n >:.k 1, jiii ri or-rij: n.i Lit; i lli.u. llu Jus., -f lin-in, -s on 1 ebniaiy ?H, 20 17 Die pioglam ase sh ire:, e: Unie with ihe. iinoun: and iimii; got n pure h see l- ttepeiidir: gon ln.nket eiiiidiiious mid

;.-k lhrough lis auilnuized sh.ire buy luck progrjin dunng the nine

The d Can'Too M. 1-1. We ale exposed to various types of imatter risk in the normal course of business unfiding he effects >1 inferent rate changes, foreign currency expans, foreign currency seaps, foreign currency and personal courses. It is sear to mitigate "the impact of foreign cities" yet present foreign currency and personal courses. It is sear to mitigate "the impact of foreign currency seaps, foreign currency and personal courses. The impact of foreign currency seaps, foreign currency and personal course and interest and principal personal course and interest and personal course and personal course and interest and personal course and p

transactions are recorded in the course supervoyances in primarily the local currenty. The frantation of recorne statement and balance steed amounts of out foreign operations in to U.S. obtains is to exchange approximately SS & Billion of Euro and Hintid Spring approximate of the course of the c

Widest Tississelou, including if finantin, left all and hard, fees used it anced if "rush his including of little did commodishment," of longs in a passing is conventing feel in ultile the pearent islands a cust rolling sees and lashifies ur, previously indirectly and it install, laid subsidiates are not promit of A in un in a season of little installed to the pearent islands and it in the season of little installed to the season of little installed to the l

On October 7. 2f)/4 isectibux Instant by Ven/on. a vnilun between Ven/on and Roduox Automated Retail LLC (Redbox), a wholly-owned subsidiary of Oulervall inc., (cased prov. iding service to its customers in accordance with an agreement helwoun the panics, Redbox withdrew from the venture on October 70. 2014 and Von/on will wind down and dissolve the venture during the next few months As result of the tennmalmri of the xontilire, we expect to record a pre-tax loss of appro niri.lieh SO I billi.m in the foonh quarte

1 Regulatory and L'ompetitiv e Trends

These base been no majo-lial changes Management's Discussion and Analysis ffirthovy.tr http://ffirthovy.tr ended IX-tomber 71,2011

-lillvi: Trends as ple ni Results oi Operation

During 2001, under a govelnmoni-apploved plan, le median on collimelieed at the alte of a former Sylvanu fhellity in litckov lilic. New Yr.uk http://Yr.uk that pielcessed nuclear fuel rod"; in the MOe and 1S>00s Remediation hevond original expectations plowed to be risCo"s.Silv jnd a lo as Seatmen in ofthe annotated rotificultion coals Mas fondue led A re-asso-encril of coller Jarefi in renutualist at forts at several other tomier facilities was also undertaken in September YMb. the Anny Corps of Engineers (ACL) accepted the Hickadille atte into the Formerly Utilized Suse Remedial Action Program This may result in the ACT: portoiming some or all of the lemedianon effort fol inc Hielaville sue with a conseponding decrease in costs to Victor To the extent that the ACE assumes responsibility fol remedial work at the litckville sue, an adjust men it to a reserve previously established for the remediation may be made Adplaiments! so the reserve may also be made based upon actual conditions dist or velect disons the intenditions of the conditions of the ov eled dunng the lemediation al ible of any other site requiring remediation

In April 2014, the accounting standard update related to the reporting of discontinued operations and disclosures ut disposals of components of an entity was issued This standard update changes the criteria I'd reportin or discontinued operations and enhances cont cryl-nos of the reporting requirements for discontinued repentinin A as revult of first suindant update a disposal of a component of an entity of a group of component of an entity is required to be reported in discontinued operations if the disposal represents a strategic fluit that has, or will have a major clied on an entity's oper.It -thips/oper.It-ums and financial results This standard update is effect it e as ofthe first quarter of 201 however, earlier adoption is

In May 2014, the accounting standard update related to the recognition of revenue horn contracts with tusiomer* was issued. This standard update clarifles the principles for recognizing revenue and develops a common revenue standard for US generally accepted accounting principles (GAAP) and International Financial Reporting Standards The standard update intends to provide a more robust framework for addressing revenue issues, improve compensibility of rev enue recognition practices across entities, indusincs, jurisdicuons. and capital markets, and provide more useful information in users of financial statements through improved disclosure requirements Upon adoption offilis standard update, we expect that the

allocation and liming of revenue recognition will be impacted. We expect to adopt this standard update during the first quarter of 2.01.7

There are two adoption methods available for implementation of the standard update related to the recognition of revenue from contracts with customers. Under one method, the guidance is applied retrospectively to contracts for each reporting period presented, subject to allowable practical expedients Under the other method, the guidance is applied or contracts not completed as ofthe date of initial application, recognizing the cumulative effect of (he change as an adjustment to (he beginning belance of retained earnings, and also requires additional disclosures colongang the results to the previous guidance. We are currently evaluating these adoption methods and the impact that this standard update will have on our contensed composited for standard statement!

In June 2014, the accounting standard update related to the accounting for share-based payments when the terms of an award provide that a performance target could be achieved after the requisite sorv ice penod was issued. The standard update resolves the diverse accounting treatment for the's share-based payments by requining that a performance target that effects veering and that could be achieved after the requisite service penod be treated as a performance condition. The requisite service penod ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. We will adopt this standard update during the first quarter of 2016 lile adoption of this standard update is not expected to have a

significant impact on our condensed consolidated financial statements

Table •! ("•nit«i«

In this report we have nucle forward-looking statements These statements are based on our estimates and assumptions and ate subject to nake and uncertainties Forward-looking statements include into information concerning our possible of assumed future results of operations Forward-looking statements also include those preceded or followed by the words "antielpaics" believes. "estimates 'hopes' or similar expressions For those statements, we claim the protection uf the safe harbor fol forward-looking statements contained in the Private Sceuniles Litigation Refulm Act of 199?

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Il tins report a

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Item 3 Ouantitalive and Qualitative Disclosures About Market Risk

formation relating to market risk is included in liein 2, Management » Discussion and Analysis of Financial Condition and Results of Operations under the caption "Market Risk

Item 4 Controls and Procedures

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In the ordinary coulse of business, we review our system of internal control o'el financial reporting and make changes to out systems and processes intended to ensure an effective internal control o'el financial reporting and make changes to out systems and processes intended to ensure an effective internal control o'el financial reporting and make changes to out systems and processes in the end several qualities. We are also continuing an initiative to ensure the end several qualities. We are also continuing an initiative to ensure the end several qualities. We are also continuing an initiative to ensure the end several qualities. We are also continuing an initiative to ensure the end several qualities. We are also continuing an initiative to ensure the end several qualities. We are also continuing an initiative to ensure the end several qualities. We are also continuing an initiative to ensure the end several qualities. Usually the end of the end several qualities. Out of the

Except as noted abet et there were no changes in the Company's internal contiol over financial reporting during the third quarter of 201-1 that have materially affected or are reasoniably likely to materially affect our internal contiol over financial reporting

alk ul Contend Item IA Risk Factor

There have been no ma I mat changes In our n-k factors as preciously disclosed in Part 1. Ilem 1A of our Annual Report on Form 10-K fur ihc year ended December 3 1, 201 3

tem 2 Unregistered Sales of Kquiry Secuntirs and t'se of Proceeds

On March 7, 2D1. The Verlun Huald of Directors applied a shale buyback program which authorizes the repurchase depending on make: conditions and corporate needs

Venzon did not repurchase any shifts of Venion common stock through its authorized shale buyback program during the three months ended September 30, 2014 Al September 30, 2014, the maximum number of shares that could be purchased by of on behalf of Venzon under our share buybusk-prigram was 100 million

Item I Legal Proceedings

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Pursuant to lie rec	quirements of the Securities Exchange Act of 193-1. In registrant lias duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.						
T»Mr vi Cohh	VFRITON COMMUNICATIONS INC Hy hilAnthony 1 Sk ladas Anthony 1 *Nadas Senior Vs.c Mesideni and t.ontrolo i [Principal -XYYoliiliirig (fili vrt						

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(dollars in millions)

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Fixed Charges-

Interest expense
1'oilion oficnl expense representing interest Capitalized interest Fixed charges

Ratio of earnings to Fixed charges

(I) We classify nneresi expense rec js nol included in lhe Ratio ot I:

Nine Months F.nded Sepiembei 111, 2014

pense and ilierefore such n

File #: O2015-758, Version: 1
I, Lowell C Me »dam, certify ihal
1 I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inc.,
Based on my knowledge, this report does not contain any unirxie statement of a malcinal fact or omit 10 state a maternal fact necessary io make the sinicmenis made in light of the encumslance's under which such statements were made, not misleading with re-jpect to rhe period covered by this report.
Based on my Lnowfedge, the financial statements, and other finacic i.if m'oniiation inrifuded in ffiis report. fau(\present in all maierii ie*-peels the limaricial cnn.llmu.11 http://cnn.llmu.11 tesult. 01 "peraiions .md e .1 h Uwn* 01 the registriini a< of and tor tin- peciods -xseni ₁ 'd ir. this report 1, Francis Shanmio, certify that
1 I have reviewed this quarterly report on Form 10-Q of Verizon Communications Inr ,
2 Rased on my knowledge, this report does not contain any untrue 1 laic mem of a maternal fact or omit to stale a nuicnal fact necessary lo make the sialermenis made in light of the circumstances under unich such 'niemenis were made, not misleading with respect to the penod covered by this report
*Based on my knowledge, the financial statements, and other fituiiciai lufoirrudon iiichufrd in (his report, fjtrls present in all inaiena! respects the linancial condition results of operations and eash lb.us of lhe registrant; u of and for lhe periods presented 1:1 tins report.
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EXHIBIT 32 2

 $c\ H\ iificai\ ion\ oi'\ chief\ executive\ officer\ piuvsuant\ to\ section\ 9ut>of\ the\ sarbantts-oxi.ey\ act\ or\ 2002.$

PURSUANT TO SECTION 1350 OF CHAPTER <>3 OF TITLE 18 OF THE UNITED STATES CODE

I, Lowell 0 Mi Adam. Chairman and Chief Executive Officer of Ven/on Communications Ine (the Company), certify, ihal

- the report of the Company on Form 10-0 fur the quarterly penod ending September 30. 2014 (the Report) hilly complies with the requirements of section 11(a) of the Sec unties Exchange Act of] 1*14 (the Exchange Act), and
- 2) the infiffiurtioii contained in the Report fanly proenls, in a]] materia] iespec; the financial condition and results of operations of the Company as of the dates and for the penods re fened to in the Report

Lowell C.TTcAdam

Chairman ami Chiel F xrcutu e Officer

A signed onii'nal of this writien statement required by Section IUfi, oi mher document authenticating, acknowledging, or otherwise adopting the stirilature that appeals m typed form within the electrinic seismu of this wiiiien statement required by Section 90ti, has been provided in Vermon Communications Inc and will be retained by cunlies and Exchange Commission ni its staff upon req

L ERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARHANI S-OXLEY ACT OF 2002. PURSUANT TO SECTION 1350 OF CHAPTER (.3 OF TITLE in OF THE UNITED STATES CODE.

mo, Executive Vice President and Chief Financial Officer of Vcn/on Communications Inc (the Company), certify tha

- (1) the report of the Company on Form 10-O, for the quancity period ending September 30, 2014 (the Reponi fully complies v, nh the lequilerneits of section 13(a) of the Secunlies Exchange Act of 1934 (the Exchange Act), and
- (?) The infonnation contained in the Report (airly presents :n all matenal isspecus, the financial condition and is suits of operations, so the Company as of the dales and loi the penods re lened !<; in the Report

Date October 2 S. 2014

/V Francis J Sh.nr.mn http://Sh.nr.mn
Francis J Shammo Executive Vice Piesident and Chief Financial Otlic ci

igned onginal of this written statement requited by Sec tion 90(j, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement requited by Section 900, has been provided to 'en, on Communications hie and will be retained by

WELLOWIND UNITED STATES SECURITIES AND EXCHANGE COMMIN

TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31

ACT OF 193-1 For trie transition penod Irom to Commission file number 1-8606 Verizon Commu

Regulation S-T (§232.405 of this chapter) dunng the preceding 12 months (or for such shorter penod that the registral

<u>I (icnrral</u> 2 12-395-1(1001

v-izon communu uturns Inc (Wrizm. or the Company) is a holding company thai, acting through the subsidiaries is one of tho ucittl's leading, providers of comme, unitarity of the State of Delaware We began doing business as Vernzon on lune st) 2000 following our merger with CTIX orporation we have a highly diverse work force of approx matich 176,80(1 employees We have Iwn reportable segments. Wireless a citjiant/e by pioducts and services

Oui principal etecum e ollices are h» aied at 1-10 West Sireei. New York. New York 10007 flelephe am flule witclesi and data s

s' and equipment ited States sales which aie ptovided to is the U

1 Wireline, which we oper.ne ar.d manage as strategic business segments and

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orking solutions, daia centei and cloud sere ices, security and managed network services and local and lung distance voire services We provide these products and services io consumers m the United States, is well as in camera, businesses and government customers both in the United Sidles arid in nye-r 1 SU, itlier (outlines around the tigilt)

ot ihc 2'ii 1 VeriZnn Annual Report to Shar paijes 10 through 12 and

on pages 1 7 through 22 a

Our Wiicless segment is primanly comprised of Cellco Partnership doing business as Verizon Wireless Cellco Partnership is a jiniji \(\text{'entuc'}\) formed in April 2110(1 liv the combination offthe US wireless operations and interests of Venzon arid Vodafone Group Pk (Vodafone'. As of IX-ceniber 31, 20M, Venzon owned a contiolling *\text{'m interiest} in Venzon Wiicless and Vodafone owned ihe remain 1115 45% Venzon Wire, less piovides wireless communication services across one offthe most extensile wireless network 1 in The United States and has the largest fourth-generation (4G) Long-Term Evolution (LTE) technology and tbird-ljcneralion (3G) Kvolution - Data Optimized (EV-IX'J) networks of any U S wireless service provider

On Sepicinber 2. 2013. Venzon entered mio a stock purchase agreement with Vodafone and Vodafone 4 Limited, pursuant 10 which Venzon agreed to acquire Vodafone s indued 45V. iniciest in Cellco Partnership d1b/a Verizon Wireless for aggregate consideration of approximately S 1 30 billion (the Wireless '1 r.mssaclmaj Ut completed the transaction on February 21. 2014 and acquired 100% ownership of Venzon Wireless The consideration paid wj* pnmanly comprised of eash and Venzon common Stock

Venzon Wireless 11 the largest wireless service provider in the United Slatea ai measured by retail connection* and revenue AI December 31, 2013, Venzon Wireless had 102 S million retail connections and 2013 revenues uf approximately SHI 0 billion, representing approximately 67% of Venzon *s aggregate revenues*

We have substantially completed the deployment of our 4G LTF. network Our 4G LTE network is available to 97% of the US population in more lhan SOO markets covening approximately 305 million people, including ihmne in areas served by our LTE in Rural Amenca partners Under this program, we are working with wireless caumen in rural area* to collaboratively build and operate a 4G LTE network using each earner's network assets and our core 40 LTE equipment and 700 MHz C-Block spectrum Our 4G LTE network prut ides higher data throughput performance for data service* al a lower coil compared 10 that provided via 3G networks TWI VI

Wireless Service and Product Offerings

Our wireless services are available 10 our customers icceiving service under the Verizon Wireless brand In addition, obtain wireless products and services that operate on out nerwork from reseller! that purchase, network access from wholesale basis

We Oiler our wireless serv ices on a postpaid and prepaid basis Retail (non-wholesale) postpaid account plan* include More Everything 'plans, single coi 11 leti.m foi * monthly network service allowance laccess services reverue's) and usage bejond in allowance rs hilled in jrrear. (usage service reveriues) Appros imateiv 94*, of our retail connections received our wireless services on a postpaid hasis as of December 21 2011 Oui prepaid service services v. iihoul a long-term contract or credit venicijum by paying tor all services 111 advance dans tailored to the needs of our corporate customers, a.s well as legacy single connection plans and family plans that we no longer offer to new accounts \ single account muy receive monthly wireless setr-ices tot a variety lit connected devices Postpaid dinney tions represent individual lines of service: Toi which a customer is hilled in advance a monthly access charge 111 leti.m foi * monthly network service allowance lac enables individuals lo obtain wireless serv ices v. iihoul a long-term contract or credit venlic

Our wireless plans oiler 1 anous packages of services thai allow customers, regardless of the dev ice 10 select the plan th.1 best matches their network usage patterns On February 13 2014, we introduced our More Everything plans which icplaced oui Shaic Every thing *plans and provide more value to oui customed These plans, whin-hie available to boili new and existing postpaid customers, featurid ofmestic and international text video and picture messaging, cloud storage and; is single data allowance that can be shared among up 10 10 devices connected 10 libe Venzon with Venzon Edge, which if provides a device popularies plans so will receive disconsciled monthly accounted monthly access leces on More Everything plans as los include the Mobile llotspot service on .1111 smartplmnes al no additional chatge The Mobile lloispnt service allows a customer In use nui uctwoik to create a Wi-Fi net wink ihal can be used by Wi-Fi enably-J devices Ven/m W. id ess also oll'is shared data plans fen business, with the Moie Everything plans for Small Business and lhe Nationwide Business Data Packages and Plans A.s nf December 31, 201 3, Share Everything accounts represented appioximately 46% of our retail postpaid accounts compared to appioximately 23% as of December 3 1. 2(112

We offer a wide variety of wireless servicei; including Internet access, via out broad range of devices Out cusiomeis' c an access the Internet on all of our smartphones. a.s well as our basic phones that include HTML web-browsing capabilinj We aNu offer sere ice ihal enables our customers 10 access the Internet wirelesslj al broadband speeds on notebook computeis and tablets that either have embedded 40 LTE or 3G EV-DO modules, or that are used in conjunction with separate devices that enable access 10 this service, such as imartphones and USB modems at well as Jetpack* in and other. These devices can be added 10 the customer's. More Everything plan tor an additional monthly fee, nr the customer can obtain a separate plan for the device it vanous pnee points, depending upon both the size of the data allowance purchased and the device covered by the plan nes and USB modems ai well aa Jetpack* 11* and other dedicated devices that provide a mobile Wi-Fi connection

In addition, we offer messaging services, which enable our customeis 10 send and receive test, picture and video messages Out customers can access multimedia oftenngs. mostlj provided by third panies, consmmg nf applications providing music, video, gaming, news and other content, while our business-focused ofTenngs, which are designed to increase productivity, include solutions that enable customers to access the Internet and their corporate in a products that enable customers to access the Internet and their corporate internet, as well all products that enable wireless e-mail across our diverse portfolio of wireless devices. Our location-based services produce our customers to access the Internet and their corporate internet, as well all products that enable wireless e-mail across our diverse portfolio of wireless devices. Our location-based services produce our customers to access the Internet as such destinations with laptops that are citied our customers to access the Internet as such destinations and to access the Internet as such destinations with laptops that are citied Ready Phone, or are used in conjunction with other Global Ready Phone, or are used destinations and policiations and services access the Internet as such destinations with laptops that are citied Ready Phone, or are used in conjunction with other Global Ready Phone, or are used destinations and policiations and services access the Internet as such destinations with laptops that are citied Ready Phone, or are used in conjunction with other Global Ready Phone, or are used destinations and of a such as a such destination and cannot be a such as a such as a such as a such destination and cannot be a such as (Black Berry), through its BlieiBerry App World webstort

Our customers can make and receive calls on their home phone handsets using our wireless network through our Home Phone

Connect service or Venzon 4G LTb Broadband Ronter with Voice service We also offer HomeFusion * Broadband, a high-speed In (em ft service that provides customers with Internet connections in their homes using our 4G LTE network

In addition, we provide network access and, in some cases, enhanced value added services to support telemetry-type applications, which are characterized b> machine-to -machine (M2M) wireless connections Our M2M services suppon devices that are used by a vafidy of vertical market segments including healthcare, education manufacining, utilities, distribution and consumer products For example, companies purchase network access and, in some cases, shaned services from us in order loc onnect with and monitor equipment, such as medical devices used for machine devices used for small gad applications Other companies products of the companies products of the companies products of the companies and the same cases and in some cases chanaced -evicles than in entire the contract of the companies of the com opec: lln'.onsumei use nl M2M wireiess connections such as home muinionng, health initinilong incrrv manageuienr and ui:liiic< management Mill Incicas. as coriMimers integrate these ii. v in > nno ii]. 11 mobile liiesiv, U rs, including smart phones, tablets and other Internet access devices as well as basic

Tibir af OnHnl* W7re/«.T DtvierM

We offer several categores of wireless devi phones

Smitriphiones Our device I inc-up includes an array of smart phone) shal are enabled to utilize our 4G LTE and/or 30 F.V-DOhifip-speed data im tees and nin on vanous operating platforms, such as Apple IOS Google Andioid. BlackMerry OS and Windows Ph.ine US In August 2(11 1 wv Inni.hed liie neve V.11/.111 Edge device payiller!! plan oplioii which now allows c usI.nncis lo Hade ill then pt-otic fen a new phsmc; iTu-i.1 mini mum of ihmy d.cvs. <Aib|<ct'.11 ecisaiic c otidiionv

[ableit tituit jth], Internet I)<1 nv. We oITei j vjnrty of 40 LIE and/m "Wi LV-DI>-eiuhled: .ihh-!* lio;n multiple manufac titur.is that inn pnmailly on eilheit the Apple 1OS. dogle Android or Miciosoft Windows 1.penning system In 201?. vu launched the

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A key component of all wireless devices is the chip; our 4C LTF--cnahled devices. tie maiiufailitied by manufacture- and supply of our CDMA-IXRFI am Incorporated (Qu.ilcomni) Wi also sell phoms 1h.1t >http://lh.1t>-undei license fienn ('ualconim In addition, iliere j various electronic component ir anulaciureis that we

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Strategic Initiatives

We-have undertaken several mitialKes to develop innovative-device- daia sen:... ar.d appln a.l.:i^ j.i.l.l,lijneiw.uk http://neiw.uks. including the lollowir.g

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We have Ilic laigost JO LIE and 30 IN-HO network Sol any service piovide in lilic Unicil State*, with licensed anil opeiational nut-iff ill all 1 the 100 most populous-I.) S metropolitan arc-as As of January 21. 2014,-oui-4G I.TI: network covers approximately 305 million people in lihe US, including ilmse in

We strive io provide our customers with the highest network reliability I'm then wireless services We design and dcplu) nut network in an elTicienl mannci that we believe maximizes the number of successful data sessions and completions of large file downloads and uploads while de In elimq on our Advertised throughput speeds and thai maximizes in he make it is a large in the maximized with a special part of the maximized and in t

In addition to oui own neiwurk coverage we have roaming Joteements with a number of wireless scivice pre" idea to enable our cusiomeis to receive wireless service in nearly all other areas in the United States where wireless service is available. We also offer a vanety of international wheless voice and es to oui customers through roaming arrangements with wireless sen ice piovideis outside of he United States Certain of oui loaming agreements aie te-imiliable al will by eilhel party upon several months' nolle e. however we do not believe that the termination of any of these ai-will agreements

Our primary network technology platforr, a tet 4G LTE and 30 Code Division Multiple Access (CDMA) 40 LTE ptrivides bighei data throughput periomiance for data services at a lower cost compared to those offered by 3d technologies Wc continue working to expand 4G LTE coverage be) and our network foolprim through our LTE in Ruial America Program We timently have 20 commuted program participants hai have the potential to piovide 4G LTE coverage to approximately three million people under the program and to date, sixteen participants h.i. e commenced operations mi such networks

In 2012, we began testing our mobile Voice over Internet protocol (VoIP) network known as Voice over LTE (VnLTF.) This technology, which is expected in the used in addition to the ctinent voice lechnning is anticipated to launch commercially in 2014.

Our 3G CDMA network is based on spread -spec tram digital ladio technology CDMA-IXRTT technology is deployed in nearly all of like cell sites in our 30 CDMA network in addition. FV-DO a 3G packet based irchnology intended pnrmur.lv http://pnrmur.lv, foi highspeed daia transmission, is deployed in substantially all of the cell sites in out 30 CDMA network

Our network includes vanous elements of redundancy designed io enhance the reliability of mir service Power and backhaul transport facilities can often become a network's vulnerability Consequently, we have battery backup ai every, switch and every cell sue in our network We also utilize backup generators ai a majority of oui cell sues and ai every switch iocation in addition wc hai c a licet of portable backup generators lhai can be deployed io cell Silos il needed Wc further enhance reliability by using a fully redundant bjckbnne Militipioincol Label Switching netwoik in all critical locimin

> The spr-cmim licenses we hold can be used foi mobile wileless voice and daia communu alums servjers We have licenses to piovide these wireless services on portions of the K00 MHz band, also known as cellular .spectrum, the 1 KOtMWO MHz band, also known at Personal Communication Services (PCS) specinim. and the 1700 and 2100 MHz hand, also known as Advanced Wireless Services (AWS) spectrum, in areas that collectively, crive nearly all offthe population of the United Stales In addition we hold licenses for pontons ofthe 700 MHz upper C band, including ten licenses thai can, together, he used in provide wiicloss service cnvciage to the entire United States and the Gulf of Mexico

Since 2012 we have entered mio several spectrum transactions including

- In 2012 Venzon Wireless acquired AWS spectrum in separate transactions with SpectruinCo. LLC and Cox.TM1 Wireless. LLC for to which U paid an aggregate of \$3.9 billion at the time of line closings Dunng 201.2, Venton Wireless also completed license purchase and exchange Iran sari ions with Leap Wireless. Savary Island Wilcloss, which is maionly owned by Leap Wireless, and a subsidiary ol'T-Mobile USA As a tesuli of these transactions, Venzon Wireless received an aggregate S2 6 billion of AWS and PCS licenses al fan value and iransfencd certain AWS licenses to I-Mobile USA and a 700 megahertz (MHz) lower A block license to Leap Wireless
- Dunng the first quarter of 2013, we completed license exchange transactions with T-Mobile License LLC and Cnckct License
 Company, LLC, a subsidiary of Leap Wireless, to exchange certain AWS licenses These non-cash exchanges include a number of
 intra-maxket swaps that we expect will enable Venzon Wireless to mike more efficient use ofthe AWS band As a result of these exchanges, vie received an aggregate SO S billion of AWS licenses at fair value
- Dunng lhe third quarter of 2011, after receiving the required regulatory approvals, Verizon Wireless sold 39 lower 700 MHz B block spectrum licenses to AT&T in exchange for a payment of \$1.9 billion and the transfer by AT&T to Verzoro Wireless of AWS (10 MHz) licenses in certain markets in the western United States Verzon Wireless also sold certain lowei 700 MHz H block spectrum licenses to an investment firm for a payment of \$0.2 billion As a result, we received \$0.5 billion of AWS licenses at fair value
- Dunng the fourth quarter of 2013, we entered into license exchange agreements with T-Mobilc USA to exchange conain AWS and PCS licenses. These non-cash exchanges, which are subject to approval by the Federal Communications Commission (FCC)

and other customary closing condition), are expected to close in the first half of 2014 Tile exchange includes a number of swaps that we expect will result in more efficient use of the AWS and PCS bands

• Subsequent to the transaction with T-Mobilc USA in the fourth quarter of 2013, on January 6, 2014, we announced two agreements with T-Mobile USA with respect to our remaining 700 Milz A block spectrum licenses Under one agreement, we will sell certain of these licenses to T-Mobile USA in mately S2 4 billion, and under the second agree nent wo will exchange the remainder of these licenses for AWS and PCS spectrum licenses These transactions arc subject to the approval of the FCC as well as other customary closing conditions These transactions arc expected to close to the cuddle of2014

We anticipate wc will need additional spectrum to meet future demand This increasing demand is hring dm en by fmivih in tillMomri connfcnons and usage of wicloss broadband snvires which use more bandwidth and require ever lister rates of speed in siay competitive We can meet spectrum needs by arqiling license* or leasing spectrum Imm other licensees, in by acquiring now spec mini It. enses from the i*CC if.ind when officred by the FCC in future spec'ctiU.tili auction* Although the- av a liability of new spec trun loi commercial wireless sen ices and lhc pr-ssibh-dar.s of leiuic I CC spectrum am Hum aie uncertain .n rhrs mm., ihe FCC and ihc ennent Picsidenuji Adiminisliatiou have been seeking ihc icica-e cd additional ir.ob.le use spectrum lhe i*CC is expected to .undue; an auction lot AWS-3 spec [nun in late 201 •I. In addition. Conine ss has adopted h gistal tinn that pros ides :>i lhe csiahishmeni ol a national public safety nrivnik and lhe reallocation am; auction, thro.jgh the use of volum.liy incentive audioes by 21×22 of prn; l'iis ni lhe existing bi.vule¹s; spec.r.nn The imcniivc. ni.-.ii-.r, related ;. • he oi¹0 MHz band is c xpecicd to take place m riiid-2015 although the specific liming of the AWS-3 MIO Mil? and other afficinnis will be dcientuned by future regulatory proceedings

Since we and .limpcting wireless scrvnv jnovidors hav expcNciicLel sp, Lir.ml sli.nilgis ir. certain market*.nut innv hav; -pcdmin »uipluses in others, we have at limes exchanged spocir.-m jioc:i*es w it:i el her ;ci -. ice prm loier* linn--igi secondary market swap transactions We expe. t to cunt nine fo pursue snruLii opportunities to trade spe, mini 11 r enses in o.dc r if ineei e. nam of <>in capacity and expansion needs in ihe fittine In othei cases Vonion Wireless h.is criteried nun iniii.-mjrkei spectiinii swaps designed to increase the amount nl contiguous speelluin within liequeiliy bands in a spec, lit m.nkel ('oiii-punus spr.-tiiiii nilpnives netwolk pelfminame and efficieluy fTiese swaps as well as anv spr. tiom pm.h.nes ate 'uh.ee <ntp>\text{http://uh.ee></ntp://uh.ee></ntp>
to obtaining governmental nppioval* for i be Uanslor of spectrum licences in each msi.nicc

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In November 201.1 vec launched on: fn*-; Ven/On I.Vstniation SI on ii Mall America in liloonungiiin Mi:ii:e*ina lhe store I.vus.-s on tin- m-b.le lite sty k and h ig hi igi-.rs. he ruariv v a i s , nnsoru'r.* , an ii*. wii.lt http://wii.lt ** ie. liimluj-s i.- rh. r. I... Iiv In, s 11, "t.ri

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| " Competition We operate in a highly competitive industry We compete against offer national wireless service providers, including AT&T. Sprint Corporation and T-Mobile USA, as well as various regional wirel increases in whelese market penetration levels, network investment the development and deployment of new technologies his introduction of new products and service in the national wireless and services in the services and s

services to their endTable **Cannical Wheeline | Background Our Wireline segment providee voice, data and video communications products and enhanced services includin
wello 59 **12 billion representing...pproximit.loty | o I Vertzon ** aggregible revenue e Wheeline Services and Product Chiefe ingle | We olgalife our services are
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Global linierpmso ofieri Strategic KA 11.1:1. including networking products ind solutions, advanced conimunicilioiis seixices. and oihei core communications services 10 medium and large business customers, including muliinalinal corporations, as well as state and federal government customers Global Linterpuse jouthy materic these services with 'Eurons o steher business units through 'Verzno Enterpuse Solutions In 2013. (tilbal Ilntcrpnsc revenues were S 14 7 hilhon, representing approximately IX".; of Wiicline's aggregate rescnues

Si'O'egn sernir.i- Slrjtrgie service* ionsist of networking products and so Jul, oils ,-idvanerd ciunmuniraliou scivjlCs for voice and video, and

Networking products arid solutions primarily include

- 1'nviiit' IF 1 his service built on multiprotocol label sw ill lung enables customers 10 lev erajje the efficiency perfinn anee jnd value of II' in a secure manner Our Private IP ncl work allows customers in communicate anety ol access methods, including Liheme; and Verizon Vi ireless 4G LTt ate over a private, secure network in more than 120 countries us
- Oihri nin'oroft iiefnorLmy n-txnrt Other services primarily unhide l'themel access and nnj; services, Tlhcinet services allow customers lo cornier 1 network environments around the world and enable applications and technologies to work seamlessly and with little disruption Ring services include technologies tha; help customers handle hjiidwidth demands and control then costs

Advanced communication sen ices pnmanly include

- // utmmunii IUior.t Our IP communications services, simplify network management and drive operational efficiencies by enabling the convergence id voice and data iiaflic un ihe same access connection
- any national and clinical services. Four imministration are consistent and assistance and assist
- Machine to-Mnc/iiie (M2M) Senn rs Out acquisition of HUGI1ES Telemaiics 111 July 2012 provided a technology plalloim thai we are Nationate to Synthesis (MAM) seem is - Use a acquisition of HUCHIES Telemates 111 July 2012 provided a technology plantom than we are leveraging in MAM malicis which has enabled us to limited develop singuisepte parametrisps in the automotive Irrasponation, energy. health monitoring, education and insurance industries MEM services permit customics 10 connect and monitor equipment, such as medical devices, fleet management devices and utility monitoring devices We believe that these, services, which are enabled on a large scale by 4G LTE wilcless technology, have the ability to reshape the way businesses operate and the way consumers interact with devices around them. Verzion offers platform-based solutions tailored to specific industnes to enable value creation and new commercial business models Our goal is 10 be a leader in implementing the next generation of connected services for vehicles, centered on a core p 111 form of safely, secunty, lleci management, convenience and other offrangs targeting commercial fleet operators, individual consumers and other customers
- . Security We pros ide integrated solutions to help companies secure their networks and daia through the following seiv ice.
 - ⁶ Sri nrr/i piafewioiutt it-rvrr n Secunty consultants thai cunsiiucl security plans [aliened to ihe needs ol out custom
 - ⁰ Governance, risk and compliance Allows customers to assess tisk levels based on current secunty controls and develop plans to address tecum) -related compliance objectives,
 - ⁰ Idennn management Provides identity-based access management for customer data, application, and systems across multiple IT ens
 - Managed wuinv- We design, implement, and maintain a secure IT infrastructure for our clients and help them prevent, delect, and

report security threats

 Other advanced communications sen-ices - Other services punnanly include dedicated Internet access, winch provides enterpase customers with high-bandwidth dedicated access to Venzoo's global network, unified coaumuni rations and collaboration capabilities, which enable customers to communicate in real time through VoIP and IP conferencing, and emergency communication services, which allow customers to respond effectively to emergencies while maintaining business continuity

Core j-crvic.fr 'shtp://j-crvic.fr'> Core services include core voice and data sen ices, which consist of a comprehensive portfolio of global solutions utilizing traditional telecommunications technology, such as conferencing and contact center solutions, and provate line and data see cm network 1 Core services also include providing customer premise equipment installation, maintenance and site services We are continuing to transition ou Homers out of historical core services such as Frame Relay and Asynchronous Transfer Mode services-

Global H httlcsali

Global WilcJirjale provides communications services including data, voice, local dial tone and broadband services pmmanly 10 local, long distance and other earners that use our facilities to provide services to then customers In 2013 Global Wholesale revenues are revenues are principled with the composition of Global Wholesale revenues is pejiriairid by a tew large telriimminintalrons 1 nmp.nnes mo-t ol whith coinpi re direct sly with ne

Global Wholesale provides the following services, which it jointly markets with Venzons other business units through Venzon Enicrpnsc Solutions

Muso services We offer a robust pon solio of data services wilh vary ing speeds and options 10 enhance our wholesale customers networks and provide connections 10 their end users and subscribers Our data services include highspeed digital data nffenngs, such as Ethernet and Synchronous Optical Nel work, as well as core data circuits, such as PS Is and DS3s In addition, data services include special acces* revenues thai are generated from earners thai buy dedicated local exchange capacity in support then private networks

New I'lheniel connectivity m the United Slates tepitsenis the largest data growth opportunity zu wholesale as see pursue oui technology upgrade initiatiw and titsloiners look To ihe tuiture and highei tapjeity demands I In -e .'us>"iiieis .110 al'o migrating netwoik s from lime division niiiiiiplesini: 10 I-jhmiei. which will beliei s.-il, qari -nice llie ni.».-i 01 mm.idh, and setvices drawn by sniariphones. mobile broadband and mobile 1 nlen Global Wholesale oilers a complete zutr ol services to suppoii the expansion of4i i and i(\ netwoiks

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- ¹⁰ Mi'miged sen ice* f'iters wholesale customers the opportunity to outsource the management oi their net vi oik* secuiuj, leinote access, and web applie. 11 tons to Venzon,* Miibliti finable S wholesale ciislonieis to enhance their portfolio to triple-play or quad-plav 1 apaUihiv by le v engine uirelesi-de vices ami services urre? Iftr.ugh Verizon Wireless. if id packafte-f and rooid un. Ier their ■•in carner (arand
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- hnetl 'en-.cc < file://en-.cc> We offei an .may of local dial time and broadband se-ivices to competitive local exchange .urieis. some of which are offered to comply with lelecommunitations regulations In addition, we offei serv ices such is roWanon. resale and unbundled network tie merits in t omphalic e with applicable legulations

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Other sen ices include such services a.s Joc.il http://Joc.il or flaii: 1:- jnd Jong di-rariff sen ire.* derived mirri /mrri.x MCI -rx.m rrarke: ciii(..this and operator services In 201 j Utbei revenues wen SO 5 billion it pn seming approximately I or Wus-h:'e s. iggregati revenues

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*** Security Wish not technologies changing how ouieipn'es do business, lhe cyhrr secunty landscape continues to evolve We believe lhai businesses are making business and customer data protection one of their highest priorities in older to protect their brand platform enables far lory installed anil af eimaiker automotive safely and secunty as well ti local ion-based sen-ices and vehicle diagnostics. We piovide usage-based data seivue s-http://seivu.es- ho new i chicles in the United States and in 2017 we extended our agicement with two auio mantitait dracking capabilities in addition io insectratogic areas of focus, we are investing in Venzon Labs and the Software Center of Excellence to support software development and alchitectine as well as development stage products and senues We believe these investment will assist us in bunging in Misps New senior cases such as the FiGS Mobile App are a labs extending our TV experience to a host of mobile devices We severe optical Network connection speeds of 10 Cyps have been reached, demonstrating the significant growth capacity built into the FIGS platform Additionally, this advanced optical network is also finding increased application opportunities in the business sector, especially as the industry seeks in migrate to Hitheme customers seek doub-based, converged enterprise solutions delivered securely via managed and professional services With the continued deployment of its packet optical Iran .sport strategy. Venzon is creating a single, high-capacity global ncl work platform that combines optical transport with added to the global IP network in 2013, and we plan to further extend our 100G technology in 2014.	ituieis to p novative ik technol el-based a				

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Stales and abroad Venzon also actively giants licenses, in exchange for appropriate fees or other consideration and subject 10 appnipmate safeguards and restrictions, 10 othei compani licenses enable such thud party licensees 10 <<1ke advantage of the issults of Verizon's le'scaich and det clonment itTons While these lin-rm's result in valuable consideration bring pair our results nl	ies that enable -nth companies to utilize certain Venzon intelledual property rights ami piopnetary technology as part of their products and services Such
Venzon penodically isceives offers from third parties to puichase or obtain licenses foi patents and other niiclicitual properly nghts in oschange f.:i royalties or other payments We als property rights These claims, whether against us directly or against thud-party suppliers* of products or services ihal we m (urn. sell 10 our customers it successful, could require us (0	
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"Acquisitions and Divestitures' on pages 32 through 33 of the 2013 Vet reference into this report	
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	I Executive Officers

See Pan III. Item 10 "Directors. Executive Officei information shout oui executive officers

Aa of December 31. 2013. Venzon and its subsidtanes had approximately 176.H00 c 2K% ofour employ ecs

Information on Our Internet Website

We make available, free of charge on oui website, our annual icpons on Form 10-K, quarterly reports 011 Form 10-0 current reports on Tumi 8-K, and all amendments to those reports at www venzon coin/investor Venzon has adopted a code of ethics, as that icim is defined in Item 406(h) of Regulation S-K, which applies to our Chief Executive Officer, Chief Financial Officer and Controller A copy of this code may be found on our website al www venzon com/investor Any amendments 10 this code or any waiver of this code for any exe cutive officer will be posted on that

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In this report we have made forward-looking statements These statements are based on oui estimates and assumptions and are subject lo nsks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements also include those preceded or followed by the words anticipates," "believes," cs." "hopes or similar expressions Tor Hose statements, we claim the protection of Hie sale harbor for lorward-looking ins contained to the Private Securities Litigation Keforni Act of 1995 outle cause ho.ii - statements are based on oui estimates and assumptions and are subject lo nsks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements also include those preceded or followed by the words anticipates," "believes," cs." "hopes or similar expressions Tor Hose statements, we claim the protection of Hie sale harbor for lorward-looking ins contained to the Private Securities Litigation Keforni Act of 1995 outle cause ho.ii - statements are based on oui estimates and assumptions and are subject lo nsks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements are based on oui estimates and assumptions and are subject lo nsks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations Forward-looking statements are based on oui estimates and assumptions and are subject lo nsks and uncertainties Forward-looking statements include the information concerning our possible or assumed future results of operations for the private future results of the private future res

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The following discussion of "Itak Factors" identifies th* most significant factors that may adveisely affect out business, operations, financial condition or future performance This information should he read in conjunction with "Management 3 Discussion and Analysis of Financial Condition and Result of Operations" and the consolidated financial statements and related >u/e < Tile follo* ing discussion of nsks is not all-nuluvve but is designed to highlight what we believe are important facioi3 to consider when evaluating our business and expectations These factors could tausr our future result to differ materially from uur finloru ul results unj from exper tuttims itflii ted in foiMurd-lonting statement

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un be associated wild transitioning fiom one supplier 10 another uur business could be substantially distujiled if we were lequrned in in close to icplain the products or-services of one-01 more majoi suppliers with products in services from another source, especially the replacement became rice-used or not motice Any such dissipation could increase our consist, decrease our operating efficiencies and have a maternal ads ene effect on our business, results of opeiationis and financial condition

The suppliers and vendors on which we rely may also be subject Id litigation with respect 10 technology on which we depend, including litigation involving claims of patent infringement Such claims have been growing rapidly in Ihe communications industry We are unable to predict whether our business will he affectnl by any such litigation We e/peci oui dependence on key suppliers to continue as we develop and intinduce more advanced generations of technology

t'sbk ul CuniJJIisVIJ"~ "" """" """ Changes in the regulatory framework under which we operate tould adveney affect our business pro prife or ie-uit\ 0/ operations.

Our domestic operations are .subject 10 regulation by the FCC and other federal, state and local agencies and our international operations are regulated by vanous loieign governments and iniemaiion.il http://iniemaiion.il bodies These regulatory regimes frequently restrict or impose conditions on our ability lo operate to designated areas and to provide specified products 01 services Wc are frequently icquard lo maintain licenses fur our operations and conduit our operations in accordance with prescribed sland uds We are often involved in regulatory and olher governmental proceedings iclated to the application of these icitiicements I; is impossible to predict with any reitjinty the outcome of pending federal and slate regulatory proceedings relating to our operations. 01 the reviews by federal 01 stale couits of regulatory lulings Without relief existing laws and iegulations ma) inhibit out ability to expand our business and introduce new products and services Similarly, we cannot guarantee that we will be successful 111 obtaining the licenses needed to cany out our business plan or in maintaining our existing licenses For example, the ICC grants wireless licenses for teims generally lasting 10 years, subject to renewal 1 he loss of, or a material limitation on. certain m out licenses

New laws or regulations or changes to the existing regulatory framewnik at the federal, stale and local, or inteinnt 10n.11 http://lon.11 lev el could iiMikl the ways 01 which we manage our wneline and wireless networks napo.se http://napo.se additional c.isic. impan revenue opportunities and potentially impede our

ability 10 prov ide services in a manuei that would be attractive to us and oui customers For example, certain services could he subject to conflicting regulation by the FCC and/01 vanous stale and local authorities, which could significantly increase the cost of implementing and introducing new services. As another example we hold certain wireless licenses that teques us to comply with so-called open access FCC regulations, which generally require licensees of particular spechrum to allow customers 10 use devices and applications oi then choice. In addition, our hioadband Internet access services ire subject to various attempts to impose so-called or new town contentality? rules some of which were all firmled and others. I access of a particular and our other activities and any related count decisions could restract our ability to compete m the marketplace and liun! the return we can opec, the uchie ve on past and future investments in our networks.

Cyber eMails 01 othei breaches of network or information letltunlogy security could have an advrrse effect on our hu*tne\\ Cyber Cycle counts of outer oreactes or incomos or information returnings security count nave an averse circe or our navines Cycle attacks or other breaches of network or information technology (IT) security may cause equipment failures or disruptions lo our operations Our inability to operate our wireline or uncless networks as a result of such events even foi a limited pend of tune, may result in significant expenses and/oi loss of maiket share lo other communications providers In addition, the potential liabilities associated with these events could exceed the insurance coverage vie maintain Cyhei attacks, which include the usr of nialw-jie, computer viruses and olher means for disitipnon or unauthon/ed access, on companies, including Ven/on have increased in frequency, scope and potential harm in recent years While lu date we have not been subject to eyber attacks or other eyber incidents which, scope and potential main in recent years while to dute we have not use a sudject to cyber anaexis of other cyber incutents which, individually or in the aggregate, have been material to our operations 01 financial condition, the preventive actions we lake to reduce the risk of cyber incidents and protect our information technology and networks may be insufficient to repel a major cyber attack in the future The cosls associated with a major cyber attack on Venzon could include expensive incentives offered to existing customers and business partners in retain their business, increased expenditures on cyber secuiiiv measures, losl revenues from business inteiTupiinn usantess partners in retain their dustines, increased experiments on cyber executiny incastures, not revenues into usantess interlupinal and litigation Further certain of Verizon businesses, including libe provisioning of security solutions and infrastructure jied cloud services to businesse customers, could be negatively all'ceied if our ability to protect our own networks is called into question as a result of a cyber attack In addition, if we full lo prevent inclinent of valuable information such as financial data, sensitive information about Venzon and intellectual property, or if we lail to proiect the privacy ofcustomer and employee confidential data against breaches of network or TT secunty, 11 could result in damage to our reputation, which could advetsely impact customer and investor confidence Any of these occurrences could result in a material udv eric effect on our results of operations and financial condition

Natural disasters, temrisl acts or acts of %-ar could <-cirtr damage to our infrastructure and result in significant disr

Our business operations axe subject to interruption by natural disasters, power outages, terrorist attacks, other hostile aits and events beyond our control Such events could cause significant damage in our intra structure upon which our business operations rely, resulting in degradation of disruption of service to our cutomers While we maintain insurance overage for some of these events the potential liabilities associated with these events could exceed the insurance coverage we maintain Our system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient foi all eventualities These events could also damage the infrastructure of the suppliers that provide us with the equipment and services we need to open cases.

iness and provide products to our customers A natural disaster or other event causing significant physical damage could cause us to expenence substantial losses resulting id significant recovery lime and expenditures to resume operations. In addition, these occurrences could result in lost revenues from business interruption as

As of December 31, 2013, Venzon had approximately \$°3 6 billion of outstanding indebtedness, as well as approximately \$6 1 billion of unused bono wing capacity andri its existing credit facility Since ihal dale, Ven'on bas incurred \$20 3 billion of additional indebtedness and became entitled to draw upon an additional 12 billion of borrowing capacity under a 16-1-dsv

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making H more difficult or expensive for Verizon to obtain any necessary future financing for working capital, capital expenditures, debt service requirements, debt refinancing, acquisitions or other purposes, reducing Venzon s flexibility in planning for or reacting 10 changes in its industry and market conditions. making Verizon more vulnerable in the event of a downturn in its business, and

exposing Venzon 10 increased irilerest rate risk given that a portion of Hs debt obligations are .11 vanable niieresi tales

uient Ven/on entered into 111 connection with the Wiicless Irar.saciion requires Venzon to maintain .1 certain leverage ratio unless Ven/on's credn ratings aic at or above a certain level, which could limit Yen/or. s abiliiv in obtain additional financing in lhe littui

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We require a si^niti. an amount of 1.1p1i.11 http://1p1i.11 to opeiate and grow our hn-iness We fund oui capital needs in part rhiuuith bono wings 111 th, public and pavaic credit markets Adverse 1 hanges in the credit markets, including IncieHsi s in interest i.itic 1 ould incie a stout cost of borrowing and/or make 11 moic difficilit for us to obtain financing foi oui operations 01 ictilianic ixising indebtedness In addition our Sorrowing costs can he-. I flee led by short- and long-term debt mtings assigned by independent rating agin.; es nInch are based, in significant pail, on oui performance as measured by ensionary credit meines A decrease in liese laiings would likely increase oui cost of boilowing and/01 make il more difficult fin us to obtain irian. ing A seven disruption m the global financial markets could impact some ofthe fir aurial institutions with which we do business and sm Il irisiability could also alfi-. I c'ui access 10 financing

With approximately 176.80(1 employees and approximately 200.4H)(i retirees as of December 3 1 2dM 3 ebgiblr to paim.ipate in Vexion s benefit plans, the costs of peisson benefits and active and relice healthcare benefits have a significant impact on 01.r profitability Oui costs ul maintaining these plans, and the Inline funding le-jiiiiemenls (or these plans, are jl*s;n-il by several laciors. including the continuing implementation of the provisions of the Paliem Thi*cenon and Affordable Care Act and the Iteillit Car. Inducation Reconciliation Ail or 2(110 mm leases :n healthcare) healthcare benefits have a significant impact on 01.r profitability Oui costs ul maintaining these plans, and the Inline funding le-jiiiemenls (or these plans, are jl*s;n-il by several laciors. including the continuing implementation of the provisions of the Paliem Thi*cenon and Affordable Care Act and the Iteillit Car. Inducation Reconciliation Ail or 2(110 mm leases :n healthcare) healthcare benefits have a significant impact on 01.r profitability Oui costs ul maintaining these plans, and the Inline funding le-jiii maintaining these plans, are jl*s;n-il by several laciors. including the continuing implementation of the provisions of the Paliem Thi*cenon and Affordable Care Act and the Iteillit Car. Inducation Reconciliation Ail or 2(110 mm leases :n healthcare benefits have a significant impact on 01.r profitability Oui costs ul maintaining these plans, and the Iteillity of the Iteil Care Act and the Iteillity Care Act and the It

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> Our pnncipai properties do not lend themselves to simple description by character and location Our total investment m plant, properly and equipmen was approximately 322 I hillion at December 31 25 I and S2 10 billion at December 31 2012 including the elicit of retirements but before ng accumulated depreciation Our gross investment in plain property and equipment co nsisted of the follo

Netwoik equipment Land, buildings and building equipn Furniture and other

2013 80.1 V. 11 It:

At December 3 L Wireline Wireless Other

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Network equipment consists primarily of cable penal, boned underground or undersea) and the reixed support siturfures of poles and conduit, wireless plant, switching equipment, netwoik software transmission equipment and clitted flacilities Land, buildings and building equipment consists of land and land improvements, cential office buildings or any other buildings that possible and the state of the administrative arid other purposes. Wrist.iiii.ilh->http://wrist.iiii.ilh-> all the switching centers are totaled on land and in buildings we own due lo then unitsi role: n the netwoik and high set-up relocation cosls We a Lini maintain facilities throughout the United States comprised of administrative and assless offices, customer caice encils, icital sales locations, garage work renters, switching centers, cell sites and data centrels, icital sales locations, pagas work renters, switching centers, cell sites and data centrel and other consists of telephone equipment furniture, data processing equipment, office equipment, motor vehicles, plant under consumction, capnalized non-network computer software costs and leasehold improvements A portion of our property is subject as the liens of their respective mongiges secung funded debt

ID

Table »f C*atral«

On September 15, 2010, the US Bank National Association (US Bank), as Litigation Truste (Litigation Trust (Litigation Trust I, filed suit in US District Coun for the Northern District of Texas against Verizon and certain subsidunes challenging the November 2006 spin-off of Venron's funner directories business then known as Ideare Inc US Bank which represents a gioup of creditors who filed claims in Ideare's bankruptcy, alleged thal Ide/ie was insolvent at the time of the spin-off or became insolvent shortly thereatier The Litigation Trust soughi over S9 billion in damages following a two-week trul in October 2012 hunted to the timestron of the value, etfldeare Inc on the date office spin-off on January 22 7013 the Court issued a decision finding that the value was at least 512 billion exceeds Itu value of life dent ami ei-h that Mene train*Ieret d to Virgin or, she r.l., te or in - pin-off the (Lour i*s-z.*d., iclai. d tinkr.".*§i.wc Cause im. ding in. Inig. ii. in I m. - m stibir.*1a Iniel ihal explains why any (or all) of its iegal claims are viable in h[-In of the court is tr.Jinit or: Id. aic's \alue It; its June IH 2.01 i decisiem tile Court entered judgment foi Ven/on and iii. subsidiaries-und mled that I ** Hank woi,I.] \Aliendring* on its claims US Hank nppea'ed like decisiem to the C'S i onti or Appeal' fix: ible I.r.i i-it; it its who is the spin-off of Ven/on and iii. subsidiaries-und mled that I ** Hank woi,I.] \Aliendring* in the impatral in (hir fix quadren in 201) -

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and carned oui m a wav iliai left lair/mi; in b inkrupli y the LtiiiuKor. iiust syck<. LpproMinaici Disincl Cour loi ihe Western District of North Carolu fried a summary judgment nun mil lo dismiss tb. uen ci.uMs i tlat:.b:: n: t_nslsl On Jun. 12 'C* IJ the (.ourl gn.riVd VellAn. Trust's constructive liaiidulenl Han-dei claim A two-week bench LVecmbei i? 2013

Litigation Tr.isl .reated dulir/.g the bar_kripi. v nine ceel I ug s of fantIV:ul n Meeklenbeing County North Cacoiina. again:,! 'ci:,'on and olher n Lite!'. in of Venzijn's land line opeMuins in Maine Ni w Hampshire arid VeiiTimil vent oi !cei to us insolvency shortly thereafter and i.

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s Ollier notified Yen/on C.ililorma file ar.d sasle .st.-.tules ji;un.iril\ aiismg from ill. dispo., tties We aie cooperating wnh ihii iiivesiigatio! us ivasi. Wink penalties rel.tnng L- ihi olh., itelv iniiirred will be m..ts:i.il

tary mdgr.'..

In thetobei 2011. the-v_jillorni.i Auomey (er.eni pnleulu] violations of California si.,ir, ha.'aidous batteiici and aeiosot ciiti ai certain California fac operations n lating lo the maria;te:i.,etii oi h.i/ai.l v penalties ultm *1 dO 01)0 we do noi e.vpeci thai

The puncipai market for trading in the common slock of Verizon is the New York Stock Exchange As of December 31,2013, there were \$85,931 sharcowners of record

High and low slock prices as reported on lhe New York Slock lis change composite tape of transaction* and dividend daia .ire as follows

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Market I'nce Cash llividind

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100 million shares, 0 determined that I

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red the i

On rebitaty 3, 201 L lhe Board approved a share buy back program wind Ven/on c ommon siock leminating no later than the close of business on Pchni.ny ?!i 201 J lhe Hi,3rd a additional shaies weie to be puichased undei lhe pievionsly a utile: it/ed hijyback program the piogra repurchase shares over time, with the amount and liming of repurchases depending on market conditions an Company mac also enlt.i into Rule 10h5-1 plans from lime |> lime in lite ilitatii tipurcliases of its shares undi
Rule 10b.1-1 plan pennits the Company to repurchase: shares a limes when it might oilier wise be prevented from doing so provided the plan is adopted when lhe Company is nol aware of maicnal r.on-jiuhlic information

During the loin 111 quartet of 201 t Ven'on did not repurchases uity sli. nes of Venzon couninon slock Al December v1. 2(11 c (In number of shares Ihal could be purchased by or on behalf of Ven'on under oui share buybark program was >> b* 1".

le the section rntilii'i! Stock f'erl'on nuaied hole in by teteiitrn e

Infoirtation iciliired by ihis r.cm is included in the 2013 Veiizon Annual Repuri to Shatcowneis tinder li.e' heading Seli'iteil r-'inarie'ial I >ala on page °. which is incorporated licimi by leleienre

Lti.m.i.iit.i'. requined by tins Hem is included in the '?(j:= Ver/on Annual 'J.p.,it :.. Sh in own, rs mid.': in 'c he i Jinig ' Maii.ig.'iiicii s Pisrussioii and Analysis of I inancia; Criiiuron ami iirsulis oi i Ipeunotis mt page. III ihinigh :> jihnl: is inioi]»omted herein by icier nice

Intomialiiiii tequueil by this lie ill is meludect in the 20] 3 Vet 17.0:1 Annual Re-pun tn SliJiiowiieis undei lhe lieadinj' Market Risk on page .'M.

Iritonnation ;,,pi:nd by tins item is included in lhe 201 < Ven,-^n Arin.i il Hi pert to M-jieswini- ...n ; age- :hroii.::l. 7, v.lmr. is 1111 oipnra'.eo here

Office of the City Clerk Page 236 of 320 Printed on 1/15/2024

Our chief executive officer ind chief finimul ">http://finimul>"> uldeer have evaluated the elite livelier," in the registrants disclusure controls and procedures (as defined in Rules I 3a-15(c) and 15d-1 5(e) of the Secunlies Exchange Acl of 1°3J), as of the end of the period covered by this Annual Repon, that ensure that information ring 10 the registrant which is icquired 10 he disclosed in this icpoil is recorded, processed, summarized and icported within uned time periods Based on this ev aluaiion, oui chief executive uificei and chid financial oltitei have concluded that the registrant's disclosine enntinl* and piciceduies were effective as nt December U.:0n

In the ordinary course of business, we ie-vtew our system nl into in a I control ov el liiiancial reporting and malec In the ordinary course of business, we ic-vtew our system all into in a 1 control ov el litancial reporting and malece changes to use systems and processes intended in ensure an effective internal control environment Vie are crimining an initiative to implement new financial systems thai wilt continue in phases over the next several quarters We are also continuing an mutative to istandardize and centralize transact in-processes. Which we expect to continue over the next several years. These initiatives will incorporate certain changes in prisor-nel as well In connection with these initiatives and the resulting changes in our tin uncial systems and transaction-processing little tits in the Company continues to enhance the design and documental ion of our internal control processes lo ensure that controls over our linancial reporting remain ellective.

Uxcepi as noted above there were, no changes' in the Company's internal loritml over financial repon ing dunng (lie loiith quarter of 201 3 thai have materially slice led, or are reasonably likely to maienally alleci, our internal control over linancial icponing

Management's leport on internal control over linancial reporting and the alienation report of Venzon's independent registered public accounting linn are included in the 201 3 Ven/on Annual Report to Share-owners on pages 3d and 37 and ate incorporated herein by icterence

Set lorih below is intonnaiiori with respect to out

Lowell C McAdam Roy H Chestnult Roger Ciuninni Daniel S Mead

Anthony J McIone Randal S Milch W Robert Mudge Marx C Reed Francis J Sbammo Anthony T Skiadas John G Stratton MamiM Walden

Executive Vice President - Strategy, Dev elopment and Planning
Executive. Vice President and Chief Information Ullicer Executive Vice Ptcsidenf and President and Chief Executive Officer -Venzon Wireless cutive Vice President and Chief Technology Officer 2010 President - Consumer and Mass Business Markets

Executive Vice President - Public Policy and General Counsel

President - Consumer and Mass Business Markets

Executive Vice President imd Cruel Administrative OlJicer Executive Vice President and Chi el financial Ollicet 2010 Senior Vice Presideni and Controller ecultive Vice President and President - Venzon Enterprise Solutions

Prior in serving ru an executive officer each of the above officers ha* held high-level managerial positions with the Company or one of its subsidiaries for at least live years, with the exception of Mr. Chestnutt, who has been with the Company since 2011 Off) ecu arc nol elected for a fixed term of office and may be removed from office al any time at the discretion uf (he Board of Directors

21

Roy H Chesinutt is Executive Vice President - Strategy. Development and Planning for Venzon From the lime he joined the Company in 2011 until he was appointed to his current role in January 2013. Mr Chestmult was Senior Vice President of Corporate Strategy Proor to joining Venzon, Mr Chestmult served as Corporate Vice President of the Americas at Motorola Networks from June 2010 to June 2011, and from 20H6 to 200°, Mr Chestmult was Chainman and Chief Executive Officer of Grande Communications Networks (Grande), a facilities-based provider uf bundled communications services Proor to joining Grande Mr Chestmult held a variety of man age merit positions with Spant-Netcletl Ceviyv oration, Nevtel Communications, ami AirTuUcli Communications and AirTuUcli Communications.

Dr M...SC. "2 is Pressilo-ii! ol Strategi. Alli i*oix S. n : n. v. LLC a c n ailim; linn Mi. vvjs S.riioi M'iagine r'utii.r ..fib. H.-<n> Cons-jlting Croup Inc (HCO) until 200! Ai UCfi Di Moose prov ided strategic pi mining op-.tmortal c lice nv i-ne>s and ie Liteci cons'.iKing services to global clienis in u vjr.ely of indistans including cor'. sumci and mdiisin.ii jjooci. financial scivi.es - http://scivi.es> and lelecon-.rmuri.eauoris. .iv:: a J5-y...ii creci Di M.n.se was a pnncipai Toutidu ot DO! inaz:ci.i; s., v. q.*s pr.,eli..i and a key conirit>iiller to 'the development of the linn < early manageriterii concepts She led ftCG s New ^ oil office Iron I "hi> lo 1 *>S ami was Chan office Ea.I Coast region win. h hi . oiink d !.n appr.i.Minatc > 2(!'. V or HO ** s overall uninio :i., m I ?.u. L.] 'I'm

Ilh Moose's experience al UCC .".i a Sliategic advisoi io diverse clients enables lici to adv :se the ElOard and senioi management on key issues nf toipoiale strategy, including with ic'speci to global growth consumer goods and 'ci. t omnitimi ali.ins issues In addilif'n lo tici strategic planning expertise Hi Moose-lias been illie ih.nr http://ih.nr/ or presiding tinecior ...; j.-e-ral publu eo.rip.inies and several chantable inganitations, which has gum hn extensive i-vpcitise in coiporate gov ciiiam e I h Moose aUn hiiiigs to the Board substantial tinnucial expertise and insights into the views oi institutional musiors winch an important to Verizon as a public * ompany

Di Moose has seised as a Directini ol Vrn/on since 2000 and was a director of OIL Cuipoiation from IUS to 'injtl She is Presiding Director, Ohairpfison of the Coiporate Oevernante and Policy Committee and! a member of the Aithn C*miz.:se Di Moos.- is also Chairperson orine Hoard ol Irustee- of Nam is Aliv I on funds (whir. vh. has seived as a mixt, i- of the nands and then pfedecessois since js/S2Iand Loomis Sujees funds [where she has served is a missice since. (in if ind a director of lhe A1;S Corporation (since 2001) In Ilie past five yeasis Pi Moose has beixed on IL. baid, I Kol.m in II fans' company as its kal Fellowing his work at the National Urban League, Mr Price was Senior Advisor of DLA Piper Kudnick Gray Cary US LLP from 2003 to 2005 and a Non-Resi deal Senior Fellow of the Economic Studies Program at The Brookings Institution from 2006 to 200K From 200H to June 2013, he served as a visiting professor at the Wood row Wikion School at Pranceton University Phore to joining the National Urban League, Mr Price held a variety of positions in journalism, law and public interest organizations, including serving on the Editorial Board of The New Yark Times



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Joseph Niuhauer

Mc Wishaier 77 is Cliainuar oi AKAMAKK Iloidinis Cnipolifion and its subsidiary ARAM AKi Copomiror: a prole a.m.at strincer company Until May 2012 he was also like duel recentive (micet He ha, served in those roles with IR.AMAIU -file://R.AMAIU- and it, picdefssors for moie than % evens AKAMAIK s. a. it-piolarinarely is (Ki.-n.plui res, s., u.-l. it.s.)-i...lr. t. iscalav an i uniformi senices iii 22 countries and generated 1131) binum m reveits during Us 101.':i-.al yen Mr resubrjai je'ined ARAM ARK s prede-i essot. AHA Seniles ... b7V as]*m.iifvi Vice Pre-vident ol Piriaii C.un: IX v. feipim mt. Ct.-ef PniJ-i. i. ol liMic.i. -u.1 a dreeor b- we selected I'r. s., i-m.; i-.ee; Cj.-. ive unv. (iib., i m i : a.i. il. jt..., u. a. n.* CY.

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(4) "This number is Misets shares subject to defined etcrock units decined to the Vonion income Decital Plan, which well exieded in 2022 until the Vonion Communications' Bro.II-Search inventive Plan No new exercise are pontated in be issued under , this plan

the "Coalen information with respect in transactions with related persons in incorporated by reference to the section certified Telested Person Transaction Policy" on pages 2-3 difficult 90 Liferant and Telested Person Transaction Policy" on pages 2-3 difficult 90 Liferant and Telested Person Transaction Policy" on pages 2-3 difficult 90 Liferant and Telested Person Transaction Policy on Policy 2-3 difficult 90 Liferant Person Transaction Person Person



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10c(v) Restricted Stock Unii Agreement 201 2 201 J Award Cycle (filed js Exhihn 10b to form 10-Q for ihe penod ended Match 11, 2012 and incorporated herein hv reference I **

10c(vi) Prrionuance Stock Unit Agreement 2013-2015 Award Cycle (tiled as IMnhn 10a in Form I n-Q (on the period ended Man.li http://i/man.li 11 2011 and incorporated hetem hij reference) *

10c(vi "I Resulted Slock Unit AgiceuienI 20)3-2rilS Award Cycle (bled as Exhibit 10b to Fnnn H'I-U foi lhe penod ended Man li 31, 201 3 and ilicnipoiated heiein hy r. leicucc) **

Iffid V'cliznii Sliort-Teim Incentive Plan. As Amended and Restated (incorporated by re tot Registrant's Proxy Stats men't included in Schedule I4A filed on Maich 23. 2(IU91 *

Ven/on Income Detc-rTal Plan (tiled us Exhibit KM to form 10-0 i'-i the penod ended June 30. 2002 and incorporated herein hy refcience) * *

HMD Des*npliun of Amondmeii: to Plan (filed as Exhibit IHodjto Four. 10-K for the year ended Docc-inbei 11 2H0J and nicoipoialcd hore'iii by tofcionco) **

mi Excess JVnsion Plan (tiled as Fx hi hi I 10 p tn Form K>-K toi the ti byieferencer*

UIRiI Description of Amenifmeni ro Plan (filed as Exhibit I0p(tj to Fotm 10-K for the year ended Decembet "1. 2004 and inrorpmated herein by refeience) **

GTE's Executive Salary Deferral Plan a.s amended (filed as Exhibit 10 10 n. (ITF.'s Finn :0-K lot like year ended December 31, ii"vS. File No I -27j 5 and thooiporateJ herein bj telcroiicel "

Isell Atlantic Scniot Management Long-Term Disability and Stin nur l'Ioli-cnon Pia to Fmm SE filed on March 27. [38d and ExInhi; JtJbniJ to Fotm 10-K for tile y, incorporated herein by reference)

KiTE Executive Retiree Lile Insurance Plan Hi led as Exhibit I(Iq Io Konn 10-K Ior Ilie incniponiled herein hy refeience) **

Von7on Executive Life Insurance Plan. As Amended and Restated Sopterr.hei 2009 (filed as Exhibit Ids to Form 10-K tor the year ended December 31.2010 and incorporated herein by reference)

ii II).Q loi the penod ended June 30 2009 ;|id incorporated

10k Vinson Executive [X-lenal Plan (filed as Exhibit 10c to I-herein hy reference) **

101 Form of Aircraft Time- Shanng Agreement (filed as Exhibit IOv to Fomi 10-K for the year ended December 11 2010 and incorporated herein by reference)

10m NYNEX Deferred Compensation Plan fur Non-Employee Directors (filed as Exhibit lOgg to NYNFX's Registration Statement No 2 -37350, File Mo 1-3603 and inuoipoiaied herein by refeience) **

I On Amendment in NYNF.X DeTened Compensation Plan for Non-Finploj ce Directors (died as Exhibit 10m 5a to NYNEX s Qualitetly Report on form 10-Q for the period ended June *>11. 1996, tile No 1-KoO.H and incorporated herein by reference).

IOo Venzon Senior Manager Severance Plan (filed a* Exhibit IOd to Form 10-Q for the penod ended March 31, 2010 and incorporated herein by reference)**
JPMotq in Chase Bank NA as I K-K filed on Ocinhn 1. 20 P and

1 Op US Wheels Agreement, dated September 21. 1999, among Dell Atlantic and Vodafone Ainouch pic, including the forms of Amended and Restated Fid nei ship Agreement and lhe Investment Agleemeni (filed as Exhibit 10 to lomi tfl-Q for the period ended Septembei 30. 1999 and incorporated herein by reference I

iOq Tenn Loan Credit Agreement, dated as of October I 2013. among Ven/o administrative agent, and the lenders paity theieto (filed as Exhibit 10 1 to Foi incuiporated heiein by icfcience)

* tor the fiscal yei ns Fomi 10-K a

December II. 2013 filed heicv the exllibn

12 Computation of R aim of Earnings to Fixed Charges filed herewith

13 Portions of Verizon's Annual Report to Sliarec Oily tile information nicorporaied by reference

le'luded ii

2 I List of principal subsidiaucs of Venmn filed heiewnh

23 Consent of Emsi A Young LLP hied here with

3 I I Crmficalion of Chief Executive Ollicer pursuant to Section 302 of the Sai banes-Ox ley Act of 2002 filed heicwilli

It 2 Certification of Chief Financial Officer pursuant lo Section 302 of line Sarbanes-Oxley Act of 2002 filed herewith

32 I Certification of Chief Executive Officer pursuant to Section 906 of lhe Saibines-Oxlcy Act of 2002 filed herewith 32 2 Certification of Chief Financial Officer pursuant to Section "06 of the Saibane i-O.xley Act of 2002 filed herewith 99 Selected Corjini Ille (iovenunce and Executive Compensation Information included in the Preliminary Proxy Statement for the Venzon 2014 Annual Meeting of Shareholders filed with the Secunlies ar. J Exchange Commission on lebiu. ii/y2iS.2014 http://onlebiu.ii/y2iS.2014 101 SCH XBRL Taxonomy Extension Schema Document 101 PRE XBRL Taxonomy Picsciiiation Linkbase Document 101 CAL XBRL Taxonomy Calculation Linkbase Document •r anangcmcni 27 101 LAB XBRL Taxonomy Label Linkbase Document 101 DEF XBRL l'axonomV Extension Definition Linkbase Document Indicates management contract or compensatory plar Vtrizoa Communication) lac. and Subsidiaries For ill*.- Years Ended December 31, 2013. 2012 and 201 1 Tabk«fC>Dtrali Pursuant to the requirement* of Section 13 or 15(d) of the Securities Exchange Act of 1934, the rep i strain has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized (dollars in miliums) Etalancr at C h:.i«fd lu Rsginmn;; of (.'harped to Other Accounts Prdutiinns Nule laHb) Note (Old) F Period Kxprnscs IKsciiptjfli Allowance lor I.iicollcetible Aecounis Kcii-ivahlr Ymi 201.1 Year 2t»I2 M YeairiMI fc-; Valuation Allowanc. loi IXI'encd Vei :1)tt
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Ye-i?tMI **S 2,04** 2.* ? (jj Allowance- for Uncollectible- Accounts Receivable primaril dnecity- to this account when icenvered irt'bf viiie.itioii-. fi.sn: ntin-i balance sheet accounts (c) Artiotuits wniicn ol! as titicollecrible oi transfened io othei a IC) Rc-dnctimis to valuation allowances relaied to defend! lax a Vr.R]'/.nN CDMMUN1C AI IONS INC Rv rV Anthony T Skiadas Anthony T Skiadas Scnioi Vice President and Con l'utsuaiil io the icqinremenr; of ihc Scei on bchalr ol Iln registrant and in Hie car I'mii inal Escculive dllice !n Lowell C McAdain Lowell C .Mi Adam " Principal Financial Otlicet 's' I tam.is I Sli.inimu Francis J Shainino IVine :pal Accounting Oijir lil Anthony I Skiadas Arillioity T Skradas nes I-lxc haiige Act of [v).j4. this rcpo I ties mid nn the dales indicated Chainnan and Chief E.xeeuliveOniiei i c Vice Pieside-ni kijl Officer Scnioi Vice Pre Conliollei libit mi ChichM /S7 Slicllyc 1. Arch * nib c a it Shelly l L Archambeau .'•.I Richaid L Carrion Richaid 1. Caniun

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CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION OF VERIZON COMMUNICATIONS INC

Veri7on Communications Inc (the "Corporation"), a corporation organized on October 7.1 *>S3. and existing under and by virtue oi the General Corporation Law oi the Slate of Delaware. HEREBY DOES CERTIFY

FIRST That at a meeting offthe Board of Director: offthe Corporation held on September 2: 2011. resolutions wen: duly adopted approving a proposed amendment to the Restated Certificate of Incorporation 'the 'Certificate Amendment') offthe Corporation and recommending that the proposed Certificate Amendment be approved by the stockholders of the Corporation Tile Certificate Amendment is attached hereto a.s Exhibit A

SECOND That inoicatlei, pursuant resolution of the Corporation's. Board of Drocciots a special meeting of the stockholders was held on January 2H. 20 N upon notice and in accordance with libe provisions of Sect ion 222 of the General Corporation Law cl libe State of Delaware, at which meeting a nuitiuity of the outstanding stock entitled lo vote thereon was voted ui (avoi nt the Certificate Amendment as proposed by lhe Corporal ion's Board ol Directors

THIRD That the Certificate Amendment was duly adopted in accordance v, ilh the applicable provisions of Section 242 ol lhe General Corporation Law of lhe. Stale of Delaware

IN WITNESS WHEREOF, the Corporation has caused this I cm fictile to be signed by William 1.. Horton. Jr, its Senior Vice Pre.sr. lent, Deputy General Counsel and Corporate Secretary-, this 3rd day of February. 2014

VEKI/.ON COMMUNICATIONS INC

By -II William L Hon on Jr

Senior Vice Piesident, Deputy Gi.netal Counsel and CoiporaU

CHARTER AMENDMENT

Article 4 A of the Restated Certificate o fine omo rat ion is hereby amended and restated in its entirety to read in fill) as follows 4 Can n at Stock

A Authonicd Shares The total number of shares of all classes of stuck which the Corporation shall have the authonty In issue is 6,500,000.000 shares, of which 6 250,000,000 shares are Common Slock, S 10 par value per share, and 250,000.010) shares are Series Preferred Stock S 10 par value per share. Computation »f Ratio «f Earnings to Fixed Charges Verizon Communications Inc. and Subsidiaries

\$ 29.277 S 9.8!)7 \$ 10.483 S 12.684 S 13.520

Earnings 480

2.Ji27

Income before (provision) benefit for income taxes Equity in earnings of unconsolidated businesses Div idends from unconsolidated businesses Inlere s! expense "> S 32.870 5 13.544 J 14311 S Ic.1 SS

Pontor: of rent expense reptesenling interest Amortization of capitalized inteiesl Earnings, as adjusted

Fixed Charges Intri,'si expense "■

Portion of lent expense lepieseutnig mteiest

i to fixed eliargf)

We classily intelest expense recognized oil uncertain tax positions as income tax expense and therefore such interest expense i< nor included in the Ratio of Famuli's to Fixed Chaises

ve total returns of Venzt Stock Index over a lis cj car period li assumes SI 00 was each respective .spin-off ns Services bide*, and ihe SAP 5ut) vested on December 11. 2008 with dividends (including ihe value of

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> Comparison of Five-Year Total Return Among Vorunn. SAP siioiis Scrv ices Index and SAP 500 Stocl Ind

Data Points in Dollars

Verizon Communications Inc (Verizon or the Company) is a holding company that, acting through its subsidiaries is one of the world's leading pros iders of communications, information and entertainment products and sen ices to consumers, businesses and governmental agencies with a presence in over 150 countries around the world Our offenngs, designed to meet customers' demand for .fpeed, mobility, secunty and control, include voice, data and video services on our wireless and wireline networks We has e lwo reportable segments Wireless and Wurluic Our wireless business, operating as Vernon Wireless, provides voice and data services and equipment sales across the United Staies using one of lihe most extensive and relinhic wireless networks Oui wireline business- provides constimet business and government i ustonuis with i oinmunnations products and ecixices in.hiding broadband data and e jjeo sen ice s network access voice. Ion; distance c and e-tici ci-mnninii .nioiis pmdu.K. mil ciivuc, ami al-,0 owns and operates one of the most expansive end-In end global Inn inel Piolo.i.; tll'i liliwoik- W. h., e a highly skilled eissiise and dedicated woikLnce of appioximately 1 76 K d 0 employee; as of De-cembei *1 2d 1 3

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Our strategy iccuneS significant capital invest merits primarily to ac quire wiicless spe. num. put tlie specimtr, into ;cix u e invest in lhe fiber optic network thai supports i>ui wucless and wireline busine es maintain oui winks-, and wireline networks and wireline networks and wireline networks.

In oui Wireless business, in 2d 1 3 emijaied to 20 1 J. revenue growth of Ci S*i sv., s dm en by o-r.iic, tun, growHi and the deir.ar.,! tor sinanphones tartlets and nttier Interne: devies Daring 2013 we experienced a < (>*, mec, .ist in retail postpaid emnei tu ns compared to 201 2. with smanphones r epic sent ing H)*. of nirr retail postpaid plione base ai I tectmr-ci * . 1 JOi 5 emmpaiot to *w. at Ilecembei «I 20 i 2 Also dunng 2013. postpaid smaitphone activations repiesenteo hr."..i.| phones activate: coiup.,r. cd to 77% in 2012

We have subsLuii rally completed the deployment of our fourth-genual ion (4f) Loiig-leitn h'v ohiiion TL iF) network 't'ur 4(>> L1: network is available to 97% of the US pojiiilatiou in more than M/0 maikeis covering .ipprovimiic by '>n': nullion peoph including tho->c in areas served by our L TF in Rural Amenea partners Uur-C, 1 TF network pros ides highei data illirougl.pui p. tiormance Im data servi ices at freve: com compared io those provided via third ge iie.-iiitiit; ijf'ij net v. oiks b, IV< c inhet 20 1r.-3% ol.mi total data iarriic. w.im arnci son "ur -Mill L" network

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operating and espital efficiencies as well as maximize profitability. As more applications are developed for this high-speed service, we expect that FiOS will become a hab for managing multiple home services that will eventually be part offite digital god, including not just entertainment and communications, but also machine-40-machine communications, such as home monitoring, health monitume, energy management and Utilities management

Mao positively impacting Wireline's revenues during 2013 was * 4 6% increase in Strategic services revenues, which represented 57% of total Global Hintorpase revenues during 2011 However, tolal Global Enterprise ami Global Wholesale revenues declined due in declines in Core customer premise outgineses are revenues and traditional voice revenues The declines in Core customer premise outgineses is a result of our focus on improving our margins by continuing to de-campflastice sales of equipment that are not part of an overall enterprise solutions bundle To compensate for the shinking market for traditional voice services, even continue to build out Wheitine segment around data, video and advanced business services-siess where demand for retailable high-speed commet ions is growing

W.: an investing in innovative technology like wireless intevtuies. Injurispeed fiber and sloud services to position mistly set the cented of Illi-growth neural. of itho mime In addition in the Works* Transaction since the beginning of 2012 these investments have included acquisitions of wireless licenses of \$49 billion _Wc al.snjiave

insisted SI 4 billion in acquisitions of investments and businesses, which we expect will pemm us to offei enhanced machine-to-machine, video and cloud-hased products and

Ity insenitii' in out own capabilities, we are also investing in the markets we "crve by providing our communities with an efficient, reliable infra struct me tor competing in the information economy. We are committed to pulling our cusiomeis tirst and being a responsible member of our communities Guided by this commitment and by out cote values of integrity, ic-pecl, peiioiTTiaiK e excellence and accountability, we hedeve we are well-positioned to produce a long-tenn return for oui sfiaicmviicrx create meaningful work foi ourselves and provide something of lasting value for society

"**=** ' Operating Relt nue . • V ##E % ..r:\.

We expect to experience service revenue growth in oui Wilcless segment in 2014 pnmanly as a result of continued growth in postpaid connections driven by increased sales of sinartphone; tablets and other Internet devices ttr*eipeci flut retail postpaid* average revenue per account (ARPAI will continue to increase as connection* migrate from basic phones I) of smarphones and from our 3G network to our 4G LTF. network, and as the average number of connections per account increases, which we expect to be driven by our More Everything plans that allow for the sharing of data among up to 11) devices We expect that oui future service-revenue growth will be substantially derived from an increase; in the usage of innivouit is writeness smarphones beloes and other Internet devices in addition to out pacing stricture that will encourage customers to continue adding data-enabled devices onto existing accounts We expect that continued emphasis on meieasing smanphone penetration, including continuing to ungrate customers firm basic phones in sinanphones and from 3G devices to 4G LTF devices, will positively impact our revenue

ons tha; follow, we provide information about the important aspects of our op levels, and discuss our results of operations financial position and souitfs and uses ot cash In addition we highlight key trends and uncertainties in the exienl practicable

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d maintain the lovally of high-quality icl.nl http://icl.nl postpaid custanticis omen new ways of using wireless services in then daily lives We'w sinartphones Infi met devices such as Liblets and oui .suite iin lughci value retail postpaid connections, conttibute to

l expect lo continue lo allracl data services and bringing our c on growih mil (oiMinue i believe these devi

tlii,ii (utme c nnr.ee http://nnr.ee Iron growih mil t nrluiuc us wi. introdtic ol -1 CJ I-IF. devices We believe these devices will attract and

continued increases in the penetration of data services and keep our device line-up competitive expect if fitting r.j. owth opportunities vvill be dependent on expanding the penetration of our neti wireless devices for both consumer mid husiness customer; and inciensuig the inimhei at wave shall our cus-inment i an cilineac; with our net

Service tind equipment pricing play an Impurtant role in the wireless competitive landscape As thr demand for wiicless service sontinues to grow, wireless -en ice providers are oll'eting service plans thai include unlimited voice minutes and text messages and a specific amount of data access tu valying megaliyte or gigabyte sizes in sonic cases, unlimited daia usage Wireless service provider are also offering pnee plans that decouple service pricing from equipment pricing and blur the traditional boundary between prepaid and ponpaid plans In addiljnn, sonx wireless provider are offering a ticch id new cusiomeis io reimburse early termination fees paid to the former wireless service provider, subject to certain limitations We seek to compete in this area by offering our customers services and equipment that they will regard as the best available value for the price as well as service plans thai meet their wireless service needs

Despite this challenging environment, we expect that we will continue to grow key aspects of our Wireline segment by providing network reliability, officing innovaliv r product bundles that include broadband Internet access, digital television and local and Jong distance voice services, offering move robust JP product* and service, and accelerating our cloud computing an J mychine-th-machine strategies We will also continue to focus on cost efficiencies to attempt to offset adverse impacts from unfavorable economic conditions and competitive pressures

Operating Colli ond Espei We anticipate on: overall i

We expect FIOS broadband and video penetration to positively impact our Mass Markets revenue and subscriber base We also expect Strategie sen ices revenues to continue to grow as we derive additional emerphose revenues from cloud, secunty and other solutiont-based services and customers continue to migrate their service. Private IP and other strategie networking services, although we have experienced decelerating revenue growth within our Strategie services business We believe the trend in these growth areas as well as our offerings in telematics and video streaming will help offset the continuing decline in revenues in our Wheline segment relar retail voice connection losses as a result of wireless substitution as well as the continued decline in our legacy wholesale and enterprise markets

i c less operating costs will increase a result offthe expected uicicaje in the < ;her equipment and sales commissi.-j- costs hi addition we expect comer.' co -ase flowei.i. we c vpect lo aihieve certain coil eiliciencies in 2014 and t dwci cost -Ci l.**IT. liciwork and js v.\. outinue lo siie uilline oui husineS* pro*

In this section, we discuss our overall results of operations and highlight items of a non-operational nature thai are not included in our segment results. We have two reportable segments. Wireless and Wireline, which we operate and manage as strategic business units and organize by products and services In "Segment Results of Operations." we review the performance of our two rep on able segments

Corporate, eliminations and other includes unallocated corporate expenses such as certain pension and olher employee benefit related costs, inter egment eliminations recorded in consolidation, the results of other businesses such as our investments in unconsolidated businesses, lease financing and other adjustments and gains and losses that are not allocated in assessing segment perfot ounce due in llicu non-op cat to iral nature Although such transactions are excluded from the business segment results, lbr.y.ire included in repoiled consolidated earnings Gains and losses that are not indiv Idually significant are included in all segniciti is "-ulis as hess items are included in the chief operating decision maker as ac'resticiti of segment performance. We believe that ihn presentation assists neciss of our financial statements to bettei understanding out results of opi rations and trends time penod to growthering and increasing pollubabilit;

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2013 Com pa red to 2012 well a

1.c increase m, ousoInlated revenues dunng 2.01 1 compared to 201 2 was primarily due to Inghei ie higher Mass Markets revenues duven by FiOS services and increased Strategic services revenues withm Global iinletoiise at out vVi:elnir segmenii rartialiy offsetting these incseases were lower Global F nieror, se cm.- and I'dobal Wholesale teienues a our

W/Je st.-ci-ci'n'j r.cic'."i.i 5? billion or O X*, i dunng 2013 ccumpand r.* 2D12 due-1.1 groutfi 4\) sen rec-(e v. coc Serv r.c revenue im icased cliumg 20H rompared to 7012 primarily driven by higher retail pesipaid service rev emir which incicased Lirgt y.\s_i it-sil; of .:n increase in iet.nl <npre>http://et.nl> po.:1panl c'mne-ctiori.s
as well a-, the continued tin tease 111 penetritio:: ol -iii.otjy-lone\square tablets and other Intern 1 device -thunigh our Share 1 v cry lb ing plans Retail pullpa\square 1 orin-celion net auditions decrea-cl dunng 2013 compared to 2012 primarily due to an uicicase in our ietail postpaid connection chum laic partialis olbet hy azi itic-case in u'tail
postpaid connectron gross additions Retail postpaid corner.lions per ai i ouni increased as ol De-cember 11.2012 (uimanly riur lo the incicased penetration of tablets and other Internet device^

MaiLet. iivenue- ror n-a-rd \$0 t < bill-on. 01 3 "% durmg "01 3 c ompaied to 2012 due m ihe Mj..r.iiin of I it IS serv 1. es t Voice Inte-iue-i ami Video) us well as changes in out pnemg strategies, partially ...llset by the conLnued decline nl local excharge

Global Cilicrpiise'ieve-uiles decteased SO d billion, or: 39*1, during 201.1 compared in 2012 pnmailly din: to j decline in Coic cile/Umwt pie mi it eci.uvpmeni revenues and lower voice servue.es http://scrvu.es and data uciwulk mg. revenues Tins dec i east wis partially ollVet by growth in Strategic serv ices revenues, pnmanly due lo an increase in advanced serv ices, such as contact centric isolutions. II¹ communications, and our cloud and data center offerings as well as revenue from a iclematies services business that we acquired in the third quarter of 2012 Global. Wholesale revenues decreased \$0.5 billion; \$\frac{1}{3}\$ of \$7.3\%\$ duing \$2013\$ compared. to \$2012\$ pinnainly due to a decline in trad num a l voice icve fues as a result of decreased minules of use (MOUs) and a decline m'domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fibei-lo-the'-teil customers upgrading their core data circuits to \$F\$ ihemed facilities as well as [Zihement migrations Com nthei core customer*]

Olher revenues decreased dunng 2013 compared io 2012 primarily due in reduced v olumes oui side of our network footprint

2tt)2 Compared to 2011

The increase in consolidated revenues during 201 2 compared to 2011 was pnmanly due to higher revenues al Wireless, as well as higher Mass Markets revenues driven by FiOS services and increased Strategic services revenues within Glohal Knterpase ai our Wireline segment Partially offsetling these mirrases were lower Global Wholesale and Glohal Enterprise Cote revenues at our Wireline segment

Wirekss revenues im teased dunng 2012 compared to 2011 due to growth in both serv He arid equipment and olher revenue Service revenue increased during 2012 compared to 2011 prunanly driven by highei Ietuli postpaid Service re- enue, vyhich increased largely as a result of an incicase in retail postpaid connections of 5 1 million in 2012, as well as the continued increases* <a href="http://increases*-in-prentation of smartplumes Retail postpaid i omicclions per account n*c leased duant? 2012 compared to 2011 prunanly due to the increased use of talkleb and other Internet devices in 2012, the unicous per account or exact dumin. 2017 compared to 2017 planting due to the increased use of natine and out minerate devices in 2018 increase in retail postpaid and prepaid connection gross apartitions of the contracting of the property of the property

Equipment and olher revenue increased during 2012 compared to 2011 pnmanly due to an increase in device upgrade fees, icgulatniy fees and equipment sates

Wireline** revenues dee leased dunng 2012 compared 10 201 1 prinwr.lv http://prinwr.lv driven by declines in Global Wholesale. Global Enterprise Core and Olher revenues, partially ottse: by higher revenues in Mass Markets driven by HiOS services and higher revenues from Strategic

Mass Maikeis revenues increased during 2012 compared to 2011 due in lhe expansion of 1iOS services as well as changes in uur pricing strategy drinpted ttt 2012, pa.mu.ily http://pa.mu.ily-oilset by the continued decline nf local exctitute revenues

Global Enterprise revenues decreased dunng 2012 compared to 2011 pumarily due to lower local services and traditional cucuit-ha.se d">http://ha.se>d">d">http://ha.se>d" revenues a decline in customer premise equipment revenues and the unfavorable impact of foreign currency translation This decrease was partially offset by higher Strategic services revenues, pumanly due to growth in advanced services, such as managed network solutions, contact center solutions. Il communications and our cloud and data center offerings

Global Wholesale icvenuei decira.se http://ira.se=d dunng 2012 compared lo 2011 ipmwrily due lo n decline in traditional voice ievenues as a result of decreased MOU* and a decline in domestic wholesale connections, partially offset by continuing demand for high-speed digital data services from fiber-to-4he-cell customers upgrading their core data circuits to Ethernet facilities as well as Ethernet migrations from other core customers

Other revenues decreased dunng 2012 compared to 7011 pnmanlx due lo reduced v o lumen outside of our network footprint

Yean Ended fJeccmber31,

Cos< of services and sales Selling, general and administrative expense Depreciation and amortization expense Consolidated Opeianng Expenses

(dollars in millions) Incr e ase/(Decrease)

5 4*^)17	S 46.275	S 45.875	Ј (Ш8)	(3 0)%	S 400	0.9%
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S 88,582	S.I02 6S.0	S 7 995	% (14,104)	(13 7)	S 1 (.91	4 x

Inlated upca;mg expenses decicascil dunng 201 3 pilitif.nl http://itif.nl=v during .!l l.* ei iron.operational chaiges (see 'OIII.-! leins') d. we;I a- un ieas. d eipcialiiig expense* ai Wueless

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Cost of services and sales decreased dumng 201-comparer] to 2012 pannanly dm: to decreased data loauinij a decline in cost of daia services and a decrease in network conn Net and decrease in costs ic'raled to 1 ustomei pic!riis> 'quipiri-iii a decline in access-1 insurance iccoveries al otu Wiidiue seg rue nl t'alilally offsetting these decreases west erti-tiouei] FiOS subsciilber growth and lendoi rale snen-asi-s at nut Wireline segment

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Selling, general and administrative expense increased duning 2012 compared to 2011 pinnanly due to higher non-operational charges (see "Other Items") as well as higher sales commission expense and costs associated with regulatory fees at our Wireless segment

Depi ecu iron and amortization expense decreased during 2012 compared to 2011 pnmanly due 10 a decrease in depreciable assets at out Wneline segment pail rally offset by an increase in amortization expense related to non-network software

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(dollais in millions-) 21)i? 2011

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Silling geneial and adminisiuliv-e expense' Olher Costs t list ol services and sales *»ellng general and administrative expense S (6.510) S 7,ft-l(, S 5.954

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ion expenses (Consolidated FBI I OA) and Con, nidated Adjusted EHITDA, which air presented below, arc nun-GAAp measures .ind do not purport to be alternatives to operating income as a measure ot operating performatiee Manage in evaluating operating profitability un a mure vanable cost basis as they exclude the depreciation and amortization expense idated primarily to capital expenditures and acquisitions that occured in prior seals as well as in evaluating operating portionismonc in relation to our competitors. Consolidated IBITDA is calculated by adding bast interest laxes, depictralinm and amortization expl.-nsc. equity in

Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items from the calculation of Consolidated 1:11] IDA Management believes that this measure provides additional relevant and useful information in investors and other users of our finance used at an evaluating the effect Weeness of our operations and uidolying business rends in a manner has its consistent with

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(dollats i 2012
should be placed on the non-GAAP measure I he non-GAAP linancial information picscrited may be deletimeted of calculated rifferently by other companies
                             J. 1 Mod S I2.KM)
10 460 IQ.I'Jo
                           29(>20 ?4,<7i.
7,S4ti 5.954
   4K.".74
■\c/el Depreciation and anioiti/ aiion expense Consolidated Fill I DA
Equity in eanings of unconsolidated businesses decreased $152 million, or 56 2% tilizon or Venzon Wireless upon obtaining control of previously unconsolidated wireless partnerships, which were pieviously
        nted for under the equity method and aie now consolidated
Equity in earnings of unconsolidated businesses decleased IS120 million, ot 27 0% in 2012 compared to 2011 primarily due to low ei earnings firm operations al Vodalonc Oninitel and. In a lesse-i extent tile devaluation of
As pint of the consideration of the Wireless Transaction, a Omnitel to a subsidiary of Vodafone on February 21. 2014
        nal information relating to Oilier income and (expense), net i*
           J 57 J (,* (23(1) (1.073) (K2)
           (dollats in millions.) Increase(II)crrrase)
2012 2011 201 3vs 2012 <a href="http://201.3vs.2012">http://201.3vs.2012</a>
12 3% R ##
                                                                                             843 |78.6) (991)
The changes in Consolidated Operating Income Consolidated EBITDA and Con soil rial ed Adjusted EHITPA in the table above were primarily a ici-tilt of the (actors described in conilection", who operating revenues and operating expenses
Total interest costs on deht halluces Less Capitalized interest costs Tula I
Average debt mil si sliding Frledn e interesi rate
S6S.959
                                                                                                                                                                                                                                                                                                                                                                                                                                            5.2%
                                                                                                                                                                                                                                                                                                                                                                                                                             S 2577 406
$ 2.571 S 2K27
               149% i (292) (8 9)%
                3 7 S (256) (9 1)
                                                                                                                                                                                                                                                       folds interest costs on debt balances increased during 2013 compared to 201 2 primarily due to the issuance of $49 0 billion of fixed and floating rate notes in finance the Wireless Transaction (see "Acquisitions and Divestitives") resulting in an increase in average debt as well as an incremental increase in interest expense of S0 7 billion, partially offset by a lower effective historetal (see "Consolidated Financial Condition") Capitalized interest costs were higher in 2013 primarily due to increases in vivities Science that are currently underdevelopment
                                                                                                                                                                                                                                                       Total interest cosis on debt balances decreased during 2012 compared to 2011 primarily due to a $2.7 billion decrease in average debt (see 'Consolidated Financial Condition') and a lower effective interest rate Capitalized interest costs were lower in 2012 primarily due to our ongoing deployment offthe 4G
  Pros titan (Benefit) for Int.
                                                                                                                          2012 vs 2011
                            $ 5,730 $ (680) $ 285 $ 6390 cm $ (94$) 19.6 % (6.7)% 2.7%
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variable cost basis as it excludes the decreciation and amortization expenses related ommanly to capital expenditures and iccurred in prior years as well as in evaluating operating poliforniance m i dial ion to our competitors Se-amont rill TIJ1 is i alculated by adding back decreciation and amortisation expense to segment operating income

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J 4.894 ■406 5JU0

4,5<>> 4.2 22 6I1C1 5.I4K (1,445) (24 4) 1.293 (906) (IK 0) 772 2013 Compared to 2012

Retail postpaid connection net additions decreased dunng 2013 compared to 2012 pnmanly due to an increase in our retail postpaid connection churn rate, partially offset by an increase in retail postpaid connection gross additions

Retail Postpaid Connection* per Account

Retail postpaid connections pet account is calculated by dividing ibc total numbci of retail postpaid connections by the number of retail postpaid accounts as ofthe end ofthe penod Retail postpaid connections pet account increased 4.5% as of December 31.2013 compared to December 31, 2012 pninarily due to the increased penetration of tablets and other Internet devices

Sen-ire revenue i:cicaçec S'- *- billion, or >=|* during 201 compared 1? 2012 ptimar.ly diner, by higher rci.nl ">http://rci.nl>">postpaid -ci. ice
i'r-verilie win. Ii mcr.-as-i highty as a icsull ol an :n. n-ase j; ,rt.ul jn.rpaid ne. t.»iis. is. cell as liie e onrmu.-l 1,1,1,-.-,r11,
pcnetijiion e-J smaitpholies. lablels and othu Inicinci devices thiotigh oui Miarc Fveiytr.mg plan-. Fin [.cristati.-ii...; aimariphones was dnvt.n by the activ atti'n ot sinariphotw- b\ new eustorncie .is well .is esistent cusion.crs mijjratirie torn-, hai.n

The 111cnasi- in Iciail postpaid Alil' A (the' Jv eiage revenue pe: 1 omit ficin rei.nl http://rei.nl postpaid aco-niii-) dining: "!il' ec u r-n.-ii 10 2012 was pmiui 11\" tine.]] h; inciea'-c.s tu s:lianphone penctrainin and t. tail postpaid connecti>-is per j.\" ton' As o; Doecmbei "1 2 j. 13 we experienced a 4 \" c nirre tic 111 re'.nl po;p>-ld entre tic 111 re'.nl po;

Oil.et serv ice lev enne mi reased dicing 2nft nirr.p.ued lo 201 2 due to crowih in wholesale connections, pan..IF. . U rt by a decrease m revenue lefjied to third pans teaming

F.oulpmeni arte other revenue decrorisccl during 2(H * compared to 2012 .is .1 decline 111 logul non lees w.i: pijirail*, offset by an 2012 Compared to 2111 1 lihe mric.:se in V. ilk<s t-tai oj... Lmif.* i v C!: lies eillnlig 2nj; eomptiie. I lo 2U 1 1 was the i.ilit e-tgi.-wth in bott. . **a** is 1.. and

The increase in retail postpaid ARPA during 2012 compared to 2011 was primanly drivet by increases in smanphone penetration and retail postpaid connections per account. During 2012, we expenenced a 4 3% increase in tetail postpaid connections per account compared to 2011, with smanphones representing 5H% of our retail postpaid phone base as of December 31, 2012 compared to 43 5% as of December 31, 2011 The increase in retail postpaid connections per account was primanly due to increases in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to S 1% as of December 31, 2011 primanly due to increase in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to S 1% as of December 3). 2011 primanly due to increase in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to S 1% as of December 3). 2011 primanly due to increase in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to S 1% as of December 3). 2011 primanly due to increase in Internet data devices, which represented 9.3% of our retail postpaid connection base as of December 31, 2012 compared to S 1% as of December 3).

Oilier scrv ice rev enue decreased during 2012 compared to 2011 pnmanly as a icsull of J decrease in thud paily roaming revenue Equipment and Other Retente

Fqnipmeni.and other revenue increased dunng 21112 compared ir> 201 I primarily due lo increases in device upgrade lees.

■ fegiilaloryTees arfd equipinenL*ale» .■■

Operating Expenses

		(dollars in millions) Inert ase/(l)ecreasr)
Year* Lnded December 3 I.	201.1 2012 2011 2013 va. 2012	2017. vs 2011
Cost of services and sales	$\ 23,648\ \ S\ 24\ 490\ \ 24\ OKo\ \ \ (842)\ \ (3.4)\%\ \ S\ \ \ 404^{TM}\ \ \ I$	7%
Selling general and administrative expense	23,17* 21 650 19.579 1,52b 7 0	2.071 10 0
IVprenaiion and amonraaiirm expense	H.202 7 960 7 9»2 242 3 0	(?)
Tola! Operating Expenses	S 5S,02t» S 54,100 \$ 51,027 i 926 1 7 \$ 2,471 4 8	

2012

201 1 201.3 vs 2012

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2013

Cost of services and sales decreased dumng 2011 compared to 2 U12 primarily due to a decrease in cost of equipment sales of SO a billion winch was partially due to a decline in postpaid upgrades decreased data roaming a decline in cost of data services and a decrease in network connection costs due tu the deployment of Priment backhaul l2cilities primarily targeted at sites upgrading in 4G 1.11:, panrally offset by an Incicase in tnsi nfinclwuik set vises

Cost ot sen-ices and sales increased during 2012 compared to 2011 primanly due to SO 7 billion in higher cost nt equipment sales which was driven by increased sales of higher cost smanphones, increased cost of network, services and increased data roaming, partially offsel h> a decrease in cost for data. services, a decrease in

(dollars in millions)

2012 vs 2011

Years Ended De, ember 31.

Segment Operating Income Add Depreciation and unionization expense Sc gnu nt EBITDA	\$ 25,997 \$ 21,768 8.202 \$ 34,199 5 29,728	SI8.S27 7,960 7, S 26.41(9	962 242	* 4V. \$3,241 17V/. ? 30 15 0 \$3.239	(2)										
Segnienr operating income margin Segment Kb I IT) A service margin	31 I % 49.5%		26 4V» 14 8%												
The changes in the table abuse dunng the penods present	ed weicr prunanly a result	ofthe factors desenb	ed in connection »it	th operating revenues	and operatin	ig expenses									
Non-requiting in n tin-operation a I items excluded from	Wireless' Operating incon	ne were a.s follows													
Years Ended December 11, Gain on spectrum license transaction				1013 2013 S (278) S -	2 2011 S									(dollars in m	nillions)
Sei eiance, pension and benefit (ciedits) charges				(61)	37	76							<u>s</u>	(339) S 37	S 7(j
Selling Ijem-tal and tdmitit'Hiitiiv £ prn e															
Selling general and administralive indirect channel bid nee I sa I gins* additions and upgrades customris activate data services	expense es commission as well		dunng 20 ncreased SI avs'MgL	1 compar 1 billio commission			2 coinpaird the	primarily to 20 mix of	due i 12 pn ∎.inits	c higher manly as continues	sales a resu tu shift	commission lt of lowurd	in., leases smanphones	in tn and	our indues more
Selling general and administrative indirect channel as well as 2011 pomanly as a result customers activated data sen-ices	expense costs asso of increases	incieased ciated with in the	dunng 20 regulatory average		ed to Indirect per	o 201 sales unit a>	I commission the	pnmanly expense mix ol	due t incieased units	o higher \$1 continued	sales 3 hillion io shift	commission dunng inward	expense 2012 smanphones	in compared and	our to more
Depreciation and Amottuation Evpense The increase in depreciation a	nd amortization	expense	dunng	2013 compa	red to	2012	was	pnmanly	dnx cn	by	an increas	e in	nei der	preciable	assets

Depreciation and amortization expense was essentially unchanged dunng 2012 compared to 2011

orking solutions, data center and cloud services, secunty and managed network services and local and long distance voice services We provide these products and services to consumers in the United Slates, as well as to c; businesses and government customers both in the United Slates and tu over 150 olher countries around the woild

The increase in Mass Markets revenues, driven by FiOS services, was partially offset by the decline of local exchange revenues primarily due to a 5 2% decline in Consumer retail voice connections resulting pummanly from competition and technology substitution with wireless, VoIP, broadband and cable services. Total voice connections include traditional switched access lines in service as well as FiOS digital voice connections. There was also a decline in Small business retail voice connections and a shift to both IP and high-speed circuits

Mass Markets revenues increased dunng 2012 compared to 2011 pnnmanly due to the expansion of FiOS services (Voice. Internet and Video) as well as changes in our pricing strategy adopted in 2012 partially riffs ei hy the continued decline nf local exchange Years Fueled IXecijihc

Stralegi, services

obal Lnte:,iise Cd yb.il http://yb.il Wholesale Other

'filial Operating Revenue

Connections (0(1!)) "" To: il voice mnr,ccli.>n>

Total Broadband ennnccti FiOS internet subscribers KiOS Video subscribers

S 14,71" 2 591 17.328 fi,420 0.283

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(61) (M.I) S 3«J23 J 39 7S0 S 40 (.82 \$ (557) (14)

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ami b; U < million 2<J!3. vn acInned per milium HOS Interne! subscribets
areas *j. *<:" Oc.cmbei 31 and .40% '.c: Fit vs Ir.ieiT.ct and riOS Video respectively . ompared to penetration tates o: } > and

We continued to ijmw oui subscriber base ind mipioved penetration rates walnn oui FiOS service areas duang 2012 Also contubuling-to the increase in revenue finm 150S services wete changes in our pnemg strategy "adomed in 2012 As of December 31. 2012. ve achieved penetration rates of 37 3% and 33 3% lot FiOS Internet and FiOS Video, respectively compared to penetration rates of 35 5% and 31 5% for FiOS Internet and FiOS Video, respectively, at Decembci 31, 2011

Mass Markets revenues were negatively impacted by the decline nl*local exchange revenues pamanly due io a (*> 1% decline in Consumer retail voice connections resulting pamanly from competition and technology substitution with wireless. VolP, bioadband and cable services Total voice connections include traditional switched access lines in sen ice as well as F<*>S digital v oice connections There was also a decline in Small business retail voice connections, pamanly reflecting challenging economic conditions, fompetitton and a shift io both IP and high-speed ciicuiti

Global F. meipuse offers Strategic sen ices including network products and solutions, advanced communications services and olher cote communications services to medium and large business customers, multinational corporations and state and federal gov eminent rusilimt rs

Global Fintennase revenues decieased SO rs billion, or 3 **, "s during 2013 compared "o 2012 jmtnaiity due to a SO 5 billion, oi 27 1%, decline in Core customer premise equipment revenues as well as lower voice services and data network ing revenues, which consist of traditional < iieuil-bajed sers ices such as frame relay pi i vale line and Asynchronous Transfer Mode (A!M) Services These core sfivn.es ">http://sfivn.es>">edeclined hi 2013 compaied to 2012 as our customer base continued to migrate to next generation IP vers ices The decline in customer premise equipment icvenues reflected uur focus on tmptoving margins by continuing to de-ctuphatic sales uf equipment that are not part of an overall entripnes solutions hundle The decline is also due to lower revenue from public secioi cu-lon/.rs This decrease was parnally olivet by giowth m Strategic icii ices levenues, which increased SO-l billion, oi 4 o*,... during 2013 compared to 2012 primarily due to growth in adv anted services, such as contact center solutions. IT communisatmns and sur cloud and daia center offenness as well as ic venue from a telematics serv ices business that we acousted in the third <u >cux-ter of2012</u>

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Global Wholesale icveuues decreased dunng 2012 compared to 2011 pmnaril) due to a decline in traditional voice revenues as a result of decreased MOUs and a 5 3% decline in domestic wholesale connections The traditional s nice product reductions are pnmanly due to the entitioned impjet of competitors deemph nurket mitral nes coupled with the impact of technology substitution Also contributing to like decline in voice revenues is the climination of low margin international products and the continuing contraction of market rates due to competition Patitially offsetting the overall decrease in wholesale revenue was a continuing demand for high-speed digital data sen ices from fiber-to-the-cell customers upgrading their core data circuits to Fthemet facilities as well as Ethernet migrations from other core customers As a issult of the customer upgrades, the numbei of core data circuits experienced a 9 6% decline compared to the similar period in 2011 We expect Global Wholesale revenue to continue to decline appro xi mat ely 10% per quarter compared to the similar penod in 2011 as we helteve thai the continued decline in core products will only be partially offset by growth ui Ethernet and II' services

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Global	Wholesale	rev	enues	decreased	SO	5 bil	lion,	or	7.3%.	during	2013	compared	l to	2012	pnmanly	due	lo	a	decline	in	traditional	voice
revenues	as	a	resull	of	decreased	MOUa		and	a	5.2%	decline	in	domestic	wholesale	connection	ıs.	Die	tradition	al vo	ice	product	reductions
are	pnmanly	due	lo)	competitors	de-cmphasi	zing	their		local	market	initiatives	coupled	with	the		effect	of	technolog	gy	substitution	Also
contribuling	to	the	decline	e ir	voice	revenues		is	the	continuing	contraction	of	market	rates	due	to	competition	P	artially	offsett	ing the	overall
decrease	in	who	lesale	icvenue	was	a		continuing		demand	for	high-speed	digital	data	service	es	from	fiber	r-to-ibc-cell		customers	upgrading
their	core	data	circuits	to	Ethernet	facilities	as	well	as	Ethernet	migrations	from	other	core	customers	As	a	result	of	the	customer	upgrades,
Ihe number of	The number of core data circuits experienced an 11.3% decline compared to the similar penod in 2012																					

uues include such services as local exchange and long distance services outside nf our network fnotpant and operator services which >- no longer being marketed. The decrease in revenues from olher services duang 2013 and 2012 was parmanly due to reduced volume* outside of gut network footp

Cost of scivices and -ales Selling genera! and adminisirative evp I>et)recratiori and amoriraation txperue Total Opt i atifig Expenses

(dollars in millions) lnrrfasc/(l>fCrrss.-J

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nl lo 2D 12 primanly di margins by de-emphasi: :s lesuliirig primarily lioi :veiie> These dec leases or rate increases

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Vo a of senice* and -ales decreased during 2ill* con: nernise equipment which iclleded our tiisiis on improi iverall enicipn.se http://enicipn.se solutions Lunelle a ekcluit in access , ... Iumes and line net ellett of sionn-related insurance issocrated with continued Fit>S subs, riber growth and v met. (Jeituus

osl if scivite'S and sales ir.treased during 2ill2 compared to ?(H I. prunanly due to Inr.he i nviMr c:Ms a oiiiuiued IVS sibsenber growth and veiuloi rale tin nrases and incieased expenses iclated to mil cloud and daia \diamond ¹, o>i of sen ue* and sales nj. also impacted hy higher costs iclated to FiOS installation at \(\) higher icpan an :xpernes caused by smmi-related ev cuts in 2012 compared to 201 t The meic-ise* weie partially nfive by a decline iiiinanly hum manage men I actions to reduce esposuie to unprofitable international wholesale unites and dech cliole'sale long distance volumes Costs iclated to custonic equipment above decreased, which ietlectid mpiovKig margins by de-emphasising sales ul equipment ihal are not pan uf an ov ent') en'.epipiir sol ui ion:, bundle

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S 313 (»7) \$ 216 erating laconic a ad EBITDA December 31,

(1 2)% S 1.700 \$ 8.484 J 9,417

Segment Operating laconic
Add Depreciation and ameitraaliun expense Srgmml EBITDA

Si anient updating income margin SigiiuniLEIITr>\Rraigtn

i in Wireline's Ope tat ing intoine Segmeiu LUITDA and Segment F-131TDA inaigin dumng the peitojs ptticiiled w esult oi ihe faciois ciesenhed in connection w;tri operating revenues and operating revenues an

, iO I billion ol iii'inecuiiioi: oi rion-opeiatuina) items were excluded tiom Ve'neline's I Jueiatiug uiconic

] C Jin on Spectrum License Transaction

Dunng the third quarier rif2013 ariei receiving libc required regulatory approvals. Ven/on Wireless' sold 39 lowci 700 MHz H block spectrum licenses to AT&T in exchange for a payment of \$1.9 billion and lihe transicrhy AT&T to Von/on Wireless: of AWS (10 MHz) licer Umied States Venion Wireless also sold certain lower 700 MHz 13 block spectrum licenses to an investment finn tol a paymem of SO 2 billion \s a result we received SO 5 billion of AWS licenses at lair value and we recorded a pre-tax gain of approximately SO 3 billion in Selling, general arid administrative expense on our consolidated statement of income fer the year ended December 31. 2013

The Consolidated Adjusted FBI IDA non-GAAP measure presented in ihc Consolidated Operating Income and FWTDA discussion (Sec Consolidated IUsuits oi Operations' j excludes the gain on the spectrum license transaction descubed above

During 2013. as a result of the Wireless "I ransaeuoa. w, recorded costs of SO 'i hillion primarily for mieresi expense of 5ti 7 billion reizied to the issuance of the new notes as well as SO 2 billion in lees primarily in co Dunng Decembei 2012. wv iceoided debt redemption costs nf SO 3 billion in connection with the early redemption of SO 7 billion ot H 75V. Ven/on Communications Notes due 2U18 SI 0 billion of 4 625% Vcn/on Virginia LLC IX-honturcs.' -Series A due March 2013 and SO 75 billion of 4-3SS Verizon Communications Notes due February 201 3, as well as SO 3 billion

During Novembei 201 I, we recorded debt redemption costs of SO I billion in connection with the early redemption of SI 0 billion of 7 *75V. Ven/on Communications Notes due September 2012, SO 6 billion of 6 875% Ven/on Communications Notes due June 201 2, SO 4 billion of 6 125/. Ven/on Florida Inc Debentures due January 2013. SO 5 billion of 6 12*% Vcn/on Maryland Inc Debentures due March 2012 uud SI 0 billion of 6 SIS*; Vcn/on New York Inc Debentures due April 2012

j Sevirano	i. i elisioli ali	u benenii (Creuis) Charges							1										
Dur.ng	2013	we	recorded	net	pie-	tax s	everance,	pension	and	he	enclits	credits	ol	approximate!;	Vfi	2	billion	ptimsniv	lor	oui
pension	and	pnsirtlircrr	rieni pl	lans i	n ac	cordance	with	uur	accounting	poli	су	in	recognize	actuarial	gains	and	losses	in the	year	in
which	they	occur	The	credits	were	pnmanly	dnven	by	an	increase	in	our	discoun	t raic	assumption	use	d io	determine	ilie	cuneiii
year	liabilities	fn>m	a weigh	hted-average	ot	-J 29	ai ai	Derember	31,	2012	to	a	wrig!ned-a>	erace of	5	0V.	at Decer	nber i	1, 20	11 3
IJU	3	billion)	lowci	lhan	assumed	uinee	' med	lieal	costs	and	other	as	sumption	adjustments	ISI	4	billion)	and	the	difference
between	oui	estimated	return	on	assets	of	7 *	% a;	Decer	mber	31.	2012	and	our actual	ictiuti	on	assets	of S	fv%	ai
December	.M 2013 ISO	5 bilhonj																		
During	2012.	we	iceoided	net	pre-t	ax se	verance,	pension	and	be	nefits	charges	of	appioximately	/ 17	2	hilhon	piiuiailly	foi	oui
pension	and	postretireim	m	plans	in	accordant	e w	rith iiu	ir accoi	untina	policy	to	tec r	nanize aciiia	r.al dar	ns ar	nd loss.	i in	the	vear

·	a werghied-a venue 2 115 3 biljmn) by ihc tli(Terence betw As pan of this	harge we also		o://ir.hr>r 31 20 he retirement assets of 0 billion	in our discount I to a assumptions (or 7 5% and related to the cranee charges (participants our actual annuitization	used lo erage ol 4 and other return on of pension 4 billion	determine the 4 2% at 7 assumption 8 assets of 8 liabilities (see 9 primarily for
During 20! 1. wc postrettremen I plans in they occur The charges year liabilities (mm 5 sestimated return on assets participants and othet adjustments to assumptions	recorded net pre-tax : accordance with out were pnrnanfy driven 75% ul December of H% and our	evrnince. pension account its j; by a decrease 31. 2010 to actual return ou	and benciiis policy lo in our 3% at u assets of	charges- ut recognize actu discount rate December 31. 5% (SO	9	0 billion losse/n in to eft; te billion), the revisions to	lot our Ihc year mi ine difference the life	pension anil in which rhe current between our expectancy of
The Consolidated Adjusted discussion (See "Consolidate above	FIJI'] DA nun-C ed Results ot	AAP measure Operations j	presented m excludes the	the Cui severance	ii/iilidatcd Operating pension and	Income benefit (arid ILH credits) charges	JI DA s presented
Early Debt Redemption and Other Costs During November 2012, wo ihe \$1 25 billion of ft 95% Venzon Communication! N		ption costs of	SO 8	billion in cont	nection with ihc	purchase c	of SO 9	billion of

Capital expenditures, including capitalized software, were as follows

In the third quarter of 2012, we settled a number of patent ii ligation matters, including cases with Ac live Vidro Networks Inc (Active Video) and TiVo inc (Ti Vo) In connection witli the settlements with ActiveVidco and Ti Vo, we recorded a charge of SO 4 billion in the third quarter of 2012 and will pay and recognize over the following six year an additional SO 2 billion

Die Consolidated Adjusted EBITDA non-GAAP measure presented in the Consolidated Operating Income and FJUTDA discussion (See Consolidated Results of Operations") excludes ihe litigation settlement costs presented uhovo

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Inc i S Sli.43* St UK

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S M57 S 8,973 6,342 6,399 976 872 5 9,425 6,2W 950

Yean. Ended December 31. S 16,604 S 16.175 S 16.244

13 8V. 14 0% 14 7V.

: ijur. I expend nines im reased at Wireless in 201.1 compared to 2012 in mdri lo substantially i omplicic ine build-eiut of oui 4G 1.11 in t work Capilel expenditures dec lined at Wireline as a icsull of dec leased legacy spending requirements and a decline m . pending on our hi' iS neiwoik

C.ij-ital txperidrtii. s de. lined slightly at Wneless ni 2012 C0iii);iiiC(I to 201 i due to the detivased investment in lilic eapac itv of .-a: wireless F1-IK.i network, pirijilly oftscl by llic ineleased build-out of our 4(i LTI: network Capital expend flu res deel.nctl st n,ht Iv at Wnelnit dm in l.mi i leaacv spending r.

purchase Veil : " co nd in the extern lie lilienients T he cash no

putchase veil.......co. no in the extern le lilienements i frecash po petitions to bind network expansion and modeful using pay external linar, eir.g. pay lok liliom time to time and invexi it, new businesses Oui soutires of lunds primar.lv fron; finm external linar, chig arrangements, air "...Illicieni to nice! ingoing :cpTtt:/ng ar.d Fihe purchase price lot the Wireless !r.f.nsacnon was pr.m. nly tunded Im the inellitedect of Ind-parity iri.L.Hicinoss in, lodine, the issuance uf5410 billion aggregate |priu iijal amount off ved and floating it ne notes and othei indobledr.es "(see "Acquisitions and Divestitures">http://indobledr.es>"(see "Acquisitions and Divestitures">http://indobledr.es>"(see "Acquisitions and Divestitures">http://indobledr.es>"(see "Acquisitions and Divestitures") We expect that our capital spending requirement-, veil continue to be financed primarily hinugi internal ly gen-rated funds Debt oi equity limine ing may be needed to fund additional me-nin inso id-doponii a ctivities o: to maintain an appropriate capital str.ici:ii to ensure our liiiailital flexibility On: cash and cash c.p.i\ticiii are pr.manly held domosilifally ir. divisiling il.coarils and ale invested to miritum pm-i-lp.ii ...ind liquid y.e. cidingly we do not have -lgiffii ail exposule it foliegiu cunency lueulaions

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lash Flows Provided Hv 0)ieratni; Activ

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ted SO ti billion. SO 3 billion and SO 2 billion, respectively m acquisitions nl wireless v also invested SO 5 billion. SO 9 billion aml S i S billion, respectively in acquisitions of onsideralikin that w

Dining the fourth quunie of 2013. Vct/cri aec/used an industry leader in content delivery networks fm SO 4 billion We expeel trie acquisition will iriclease out ability to meet the glowing demand for online digital media courirm Additionally, we acquired a o'ad company (of cash cniisideiilion that was not significant in Fchiliary 2014, Venion acciurred a

.s dediialcdlolhedevelopu

During 201 2 we paid approximately \$13 hillion to acquire wireless licenses pnmailly in meet l'atuie LTL capacity needs and ru ible LTL expansion Additionally, during 2012, we acquired IHiGIIFS Tetrinatics, a provider of telematics services, for JO (+ billion See Acquisition-, and Dn estiluies tor additional

Durini.' April 2(11 I wc paid approximately SI -1 billion foi the equil) ol Tencmaik, winch viae pailjall> offset by SO I billion of i ash acquired (see Acquisitions and I)iv esttHires i See Cash Flows Fieini Financing Activ Hies regarding the debt cybligations of I er remark ihat were r: paid diirin;' May 2011 In addition, during 201). we acquired v annus vei; cless licenses and markets as well as a pro* ide r nl c loud sol'tw in technology foi cash consideration that was not significalii

; activitits dunii.! ?..] ineleased nj s; .1 billion e(>iri|...re.l.t... ?ii]2 |-riinarilv due ...i lon'Mblits.Mi, and imp.oie.i Wolking .ajnlal leveh lhe u.crc.i-e in ml ea-h parti illy olisei hy liei disliihiidoiK ol SO: biNion receive d liom \\o.l.ione Omrni. 1 u ...f urin g ': (.112

on A.ldil:.: eill dispose iileialioi: r-i ajiproi lor additional

sace ot; (KI MII/ lower II block .specinim lit enses and a* a it suit we iceciveci proceeds o; S2 I o 2u/4 we .innoeiited agroemeits wnh T-Mobile USA Inc (T-Mobile 1 SA) pursuant to which : 7011 MIU A h.i.ck spectrum licenses and as a resul; of these agreements we expeel to receive 2 4 hiih.sn and additional spec Hum See \cqui <file:///cqui>

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L«\a>h Flows Prm ided hi Il'srd In) Finani nig Aftiv Hies

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Term Loan Agreement Junng October 2013. we entered into a green of the control of the contr

File #: O2015-758, Version: 1 S4 0.1 h) billion aggrega to principal amount of fished and issuance consistency of the c

File #: O2015-758, Version: 1 of 6 55%
Notes 55%
The pioced a softhe new notes 100 not

File #: O2015-758, Version: 1	
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of 5 % Bei.nl	
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SO 5 É billion, net uf	
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Venzon Notes During Februar	
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Wireless Transac	
tion, we sssued \$5.0	
billion	
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ZZZZ 70. and the eleven-	
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veilzöri notes bear	
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Bridge Credit Agreement
Duning September 2013.
we entered into a S61 o
billion bridge credit
agreement with a group
of major financial
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with the ability to borrow
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billion were recognized in
Other income and
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fourth quincr of 2013 20/2.
SI nim' Jinniau J 2022. SI nim' (expense), net dunni: the fourth qilunc of 2013 .0/j. Dilini' Jihruanj 2012. S In Dilini' Jihruanj 2012. S In Dilini' Jihruanj 2012. S In Debentures matured and were repaid During Tehr.illiyi Julz. In S billion of 5 25% Verizon Wireless Notes matured ami were repaid During 104 2012. S IV, Nilmor of 104 2012 we utilized SO 2 billion under f. ed rate v cndoi ["injuring facilii.es http://facilii.es On Nov.uibei 2 2U12. we announced the commencement of a tidled offici Che Tuidel Offei) lo ituichan "soi cash, oiv ami all off the collection by aminati of the contracting of 125 billion aggregate principal anieutrol Li 75% Morlon Communications Notes due 20 i'n int e1 find i 10 billion and 11 billion chttp://iturni.es/resum g ni eash proceeds of approx inialcly S'i 19 billion net of discounts and issu.irit e cosls The and issu.irit e cosls The net pun eeds weie used in the lepus rr.mt of commercial paper and olher general cmpnraie purposes, as well .is to redeem > '11 billion aggieg.iie piin.ip.il .imiu.ni

During December of December of 2011. We repaid SO billion upon maturnly for the (TO 7 billion of 7 623%. Venzon Wireless as currency swap was settled cross currency swap was settled and floating rate on the related cross currency was well be related cross currency swap was settled and floating rate of the control of the board was settled and floating rate on the control of the board Represent ves of Venzon Wireless and the control of the board Represent ves of Venzon Wireless and the control of the board Represent of the control of the board Represent of the control of the control of the payment of the payment of the payment of S3 15 billic and the remainder the d is no nu-ja received by Veiraon I.

Office of the City Clerk Page 257 of 320 Printed on 1/15/2024

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billion aggie gat- prim ipal
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it autilitié mench. ols..ociiii- and i-sua.-n c.osls D.ning Novembci 2i= 1 1. '.he net j-i..i.f wc; aniounl ol telephone subsidi.irx debt lire papei and other..'euir-al co::i.utili purpos. s See | Sliiii Items residing | Ilu .ailv del.! redt-mpiiori costs nielined in eonnmi..; v..\(^1\). Il c | al...e::ieui..>:\(\blue{\pi}\). idempiion:

In November 20/2. the Board of Repieschiatives of Youzoii Wireless declared a distribution to Ut owneis, which was paid in the full in quarter of 20/2 in proportion. In their pattuciship mien'sts on the payment date, in the aggregate amount of 5 billion As I research Water to the distribution was received by Verzoon In July 20/1 1, the Hoard of Representatives of Volctron Wireless declared a distribution to its owneis, which was paid in Unit has the payment of the distribution to its owneis, which was paid in Unit has the payment of the distribution to its owneis, which was received by Verzoon In July 20/1 1, the Hoard of Representatives of Volctron Wireless declared a distribution to its owneis, which was paid in Unit has the payment of the paym

Although libr ratings downgrade is not expected to significantly impact our access to capital, it could incicase both the cost of finOn Docom withdrawal at any time by the assigning rating organization Each rating should be evaluated independently of any other rating *Covenants* Our credit agreementsupon issue reputable insurance companies preserve out copicate existence, keep upplicipate books and records of lirancial trant-action), maintain inn propelles provide figroup ann agein main require us to limit run a leverage / fillio as such term is clidined ir. those agreements join on the vess of 350 to 100 under certain or a leverage / fillio as such term is clidined in the vess of 350 to 100 under the provided by operating join in a set of the second of the certain of the second or of the provided by operating join indicate lows ovided by inject-ling activities. The following table mornaling our jies capital expenditures (including capital expenditures (including capital expenditures) and the provided by the certain of the second of the provided by operating in ordinary and the provided by the certain of the second of the provided by the certain of the second of the provided by the certain of the second of the provided by the certain of the second of the provided by the certain of the second of th

benefit In group ann replicate t rights 10 fe are curren ihe Plan W contnbuler approxima billion 10 t deciease

We operate numerous qualified and nonqualified pension plans and other postretiremen! henefil plans These plans parmanly relate to our domestic business units Dumng 2013, cunllibulions lu our qualified pension plans were nut material Duing 2012 and 2011, we contubuted SO 9 billion and SO 4 billion, respectively, io our qualified pension plans, excluding the pension annuitzation discussed above We also coninbuied SO 1 billion and SO 1 billion to our nonqualified pension plans in 2013,2012 and 2011, rejpectively

In an i Hon to reduce the nsk ul" our portfolio strategy and heller align assets winh liabilities, we have adopted a liability driven pension strategy that seeks lo better minch cash flows from investment with projected benefit payment.* We expect that the strategy will reduce llu likelihood ital assets will do Inn. al a lime- when luthities necrosas (refined to as liability height), with the Yoa] in reduce the risk in furniferfunding to the plans at I specimens. As one of the plans at I specimens are considered under the person plan contribution in 2014 to be SI 2 billion Nonqualified pension contributions aic examilted to be approximately SO 2 billion in 2014

Contributions to our other postretirement benefit plans generally relate to payments for bene tits on an as-in anted basis since the olhe' posiretiremend beautil plans do not haic funding requirements similar to the pension plans Vic coninbultrf S1 4 billion II ou in miler postreurement bene lit plans in 2013 2012 and 2011 respectively Contributions in out olbr< postretirement benefit plans are estimated to be approximately 514hillionin2014 |
Off Hall ocr She el An angrurntt and Contractual Obligations

Contractual Obligations and Commercial Commitments

The following table piovide.1 a summary of our contractual obligations and commercial commitments at December 31. 2013 Additional detail about these items is included in the notes to the consolidated ;s> than 1 year

(dollars in millions)

Pay menu Due Hy Period

More than

16,301 RC09 2,4 84 93.144 74.93 ft 12,190 33,440 4.404 13.558 9.4 19 3.723 8.77ft 1.579

Loug lenn debt "i Capital lease obligations Total long-term debt including anient mammies 19.724 2 825

Interest on long-term debt 111

59,799 52 094

Operating lease's '**=**" S 2IK.116 S 33.106 S 37.057 S 31,537 S Ilb.416

Piircha.se http://Piircha.se obligations' Cither long-term liabilities i"

Total contractual obligations

LeAiinf! Arrangement!

WV ,-iie the lessor in lev eraged and direct financing lease agreements foi i onimeicial altera fi ami power generating facilities which compilise "http://compilise" the r.-ajouty of out leasing portfolio along will telecommunication-; equipment, commercial leal estate ptopeny and oiller equipment These leases have remaining learns of up to 37 years as of December 31 201 1 In addition we lease space on ecitatr. of our cell towers to other wireless carriers Minimum lease payments receivable represent unpaid rentals, less principal and interest up to listin-pathy ionicocourses of the relating to leveraged lease transactions Since we have no general liability of this december of the part of the p

'Items included in long-term debt with vanable coupon rates are desenbed in Note K to the consolidated financial statements

See N'imc 7 to the consolidated financial statements

"The purchase obligations re flee led above are pummally commitments to purchase handsels and peripherals, equipment, so this are programming and network services and marketing activities, which will be used or sold in the ordinary course of business. These amounts do not represent out entire anticipated purchases in the future, but represent only those items that are the subject of contractual obligations. We also purchase products and services as needed with no firm commitment For this reason, the amounts presented in this table alone do not provide a reliable indicator of out expected future cash outflows oi changes in out expected eash position (see Note I ti in the consolidated financial stalements)

Othei long-lenn liabilities include estimated post retirement benclit a the consolidated financial statements)

We are not able to make a reliable estimate of when the unrecognized tax benefits balance of S2 1 billion and related interest and penalties will be settled with the irspecliv c taxing anihniilies until issues ni examinations are further developed (see Noie 12 to the consolidated financial statement*)

Guarantees 1

S 92.851 S 3.395 S 13,4(i6 S \t\

In connection with the execution of agreements for the sale of businesses and investments. Verizon ordinarily providers representations and warranties to the purchasers petiatining lo a vanety of nontinancial malters, such as ownership ut the secuntres being sold, as well as financial losses (see Note 16 to the consolidated financial statements)

We guarantee the debentures and fust mortgage bonds of our operating telephone company cubsidianes As of December 31, 2013, \$3.1 billion puncipal amount of these obligations remain outstanding. Each guarantee will r etna in in place for the life offite obligation unless terminated pursuant to us terms, which will occur, among other things, if the operating telephone company is no longera witolly-owned subsidiary of Venzon

We also guarantee the debt obligations of GTE Corpora lion that were issued and outstanding prior to July 1. 2003 As of Decembet 31, 2013, SI .7 billion pnncipal amount of these obligations remained outstanding (see Note K to the consolidated financial statements)

As of December 31, 2013 letters of credit lotaling approximately SO I billion, which were executed in the normal countries. several financing arrangements and payment obligations to third parties, were outstanding (see Note 16 to Ihe consolidated financial statements)

At DeceMthei 3 I. 201-

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At Deceiuber31..1tli.1 Long-term debt and lelaied ileityjines

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liable rate den'. We pi inc c io Interest expense li;

r. is included in mini rrf. operating > ilie uncivilv un; dehi iuMiu:ilenis wr+ the underlying debt obligations Dunn inirfif. im) tire imparl to oui coiis-lidaieri lin.uuial sii-imient; w o inreic.r ran- swaps with a mrai nuriorial i alue ol SI S l±lir. rate -w ajis w js nor malt nil I Al Pecenihei 3 I "111? the I--ial :.o

Foreign Currency Translation

The functional currency for our foreign operations is pnmanly the local currency. The translation of income statement and balance sheet amounts of our foreign operations into U S dollars is recorded as cumulative translation adjustments, which are included in Ace unuslated other comprehensive income in our consolidated balance sheets Gains and Jasses on foreign currency transactions are recorded in the consolidated statements of income in Other income and (expense), net AI December 31, 2013, our pnmary translation exposure was to tire fin tub Pound Sterling, the Euro, ihe Australian Dollar and the Japanese Yen

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:: Wireless previously rnrerr i-ildtitO. IVuud Steilirig.tr <http://Steilirig.tr>;

into cross i inn ne.v swjps designated as cash flow hedges to exchange approximately S1 d uio -di nominated debt into C S dollars and lo fix oui Inline inicie st and pnncipai payments the impact of loieigr, cuneity ti ansae lion gains oi losses A pomoti oil the gains and losses icons.-; v."--re'. In -sified ti--([libei income. inet te'pen'e). nei tu e'tlset the icUtc-i pit-ia' f-weigii) e, i;r,ic: ly debt oitligations I he fan value of." the outstanding swaps was not material at "12 Dennii; 2011 and 2012 the gains- with iespe i t to these swaps weie not material

Itd cross cuititicy swap* designated as eash flew hedges to exchange approximately (*- 4 ling denominated debt into U S dollars and (0 fix our future interest am! piuu ipai pay ments ie imp.it ">http://imp.it> i of fureign cunency transaction gains or losses

f Mlic il \tcounting Estimates">http://Mlic il> \tcounting Estimates

c ciitic al aei ountirig esttin.it vs">http://tin.it>vs' used in prt'paiing out financial statements is as follows

ises and Goodwill are a sipniticunt componeil of our consulrdated assets Both our wireless licenses and goodwill indeciriiie. [ived .rauagible assets and, therefore ate nol amontied that rather aic tested for impainment annually in al si milter, urile's their air events or thanges in citt unstances during an tuteiun penod iluti indicate these assets eceiver. Bit We believe in un estimated as a substantial and assets and estimated seven as a substantial and assets assets as a substantial and assets as a substantial and assets and sustained advene dee lein in our operating profitability, ver may have impairment chaiges in fullure years. Any such impairment: hillic could be neutreal to our results of operations and linancial conditions.

lire iliiying value of inn wireless Licrises was appioximately 575 7 hillion as nf Deiembet 31, 2011 We aggregate oni M.reltss htcrises: mto one single unn of Jecouiting as we utilize oui wireless licenses on an integrated basis as pan of our niiiineenb-sancles-netwoik 1 jur wuchss iticiises provide us with the exclusive light to uithre teiiani radio lie quells y spectiuiii to provide wireless commonication servnes There are cunemily no legal, regulator), sontractual. competitive, nut-ri-rmn - i eihei ta-ic,\(\text{\text{\text{iii}}}\); im rfie u-e.':li life of oir wireless licenses In \(\text{\text

tenses was less than lire i tccogin/ed Our annual

run hiding industry ie venue and FH11 DA in.ugin piojve lions) the projected lirraucia! pe lionnunce of Wucks as well a-; other tactois [tased on our assessment in 201 3, we qualit.iliv cly concluded that it was ni-ue likely than not thai the fan value o! our wireless h-ens*-; significant I y exceeded then cany mg value and I here

r ipiantri, titve impairment test consisted of comparing the estimated lar ng, irinuiii, is of the lest dale Il lire estimated fan value of oui win :«i--unt of the ivueless licenses then an impairment charge would hav r-.t lists rot ?PH? and 2011 in-treated that the fan value oitmfujiuK e

Hem wee estilluled the latil value of oid wireless licenses n-m, di-to,inied eash flow airaly sis to estimate what a illilirketplan wireless as a little; v.il. [ilin-n-late As and reciding we were the control of the

mic conditions cillicni and expected availability o infrastructure and related equipment and inc costs thereof as well a.s ciller relevant factors -discount, rate repic.xxx.led.oilr.estimaicoffic welc.hic_d-averagr coil

(saplial (MACO) participant would have required as utility valuation dale We developed the discount of debt and equity of a gluup of guideline companies as of the valuation dale Accordingly, out discount rale incorporated our estimate of the expelicd return a marketplace participant would have required as of the valuation dale, including the nek premium Associated with the curcui and expected economic conditions is office valuation dale Mile terminal value gluwill rare represented our estimate of the marketplace is long-term growth rate

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A December .11. 701 J the belance of our goodwill was apploximately_\$24 u hillionnf which \$1.8 J billion was in our. Vehrcless _f. acgmentand*\$8. 2*bill_lun *was in our Wireline segment - Deletining .whether ;in impairment ha? coculted: require-.the., deletinualloil of fan value of each tospective leporting unit Out operating segments Wuelces and Wireline are deemed to be our reporting units for purposes of goodwill impairment testing. The lair value of Wireless significantly exceeded us carrying \alue and the fair value of Whotine exceeded its carry ing value Accordingly, out annual linpairment tests for 2013, 2012 and 201 i did not result in an impairment.

ad using a market approach and a disc ted cash How method The market approach inliudes lihe use of comparator, multiples to comvalue of two components-projected cash llows and a terminal value The leiminal value represents the expected no una 11 zed future cash flows of the reporting unit beyond the ca'h flows from the discrete projection period The fair value of the le porting unit is calculated based on the sum offite prescul value of the cash Hows from the discrete projection period The fair value of the le porting unit is calculated based on the sum offite prescul value of the cash Hows from the discrete projection period The fair value of the le porting unit is calculated based on the sum offite prescul value of the cash Hows from the discrete projection period The fair value of the le porting unit is calculated based on the sum of the prescul value of the cash Hows from the discrete projection period The fair value of the le porting unit is calculated based on the sum of the prescul value of the cash Hows from the discrete projection period The fair value of the le porting unit is calculated based on the sum of the prescul value of the cash Hows from the discrete projection period The fair value of the lepton that the prescul value of the sum of the prescul value of the cash Hows from the discrete projection period The fair value of the lepton that the prescul value of the sum of the sum of the prescul value of the sum of the prescul value of the sum of the

We maintain benefit plans io: must of our cinpleycos. Including, fol certain employees pension and other postetireme-u benefit plans At December 31, 2013, in the aggregate, pension plan benefit obligations exceeded the fan value of pension plan assets, which will leavel in higher future pension plan expense Other postetirement benefit plans have laighed benefit obligations than plan assets, resulting in expense Sprintcent benefit plan assumptions, including the discount raise used, lie butg-torm late of leature on plan assets and health care licror raises also periodically updated and impact the amount of benefit plan income expense assets and lobigations. A sensitive analysis of other impact of changes in these assumptions on income income of the plans and expense (income) recorded, as well as on the funded status due to an increase or a decrease in the actual versus expected return on plan assets as of December 31, 2013 and for tile vear then ended pertaining to Vertzon's pension and postetirement benefit plan is privided in the latile below

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> Rale officilun or pension plan asset: Pe ement plans discount rate Raie orrotum on posticilirment plat Health care trend rates 2.539 (2.011 A)

* In determining its pension and other pristreument obligation like Company used a weighted-everage discount rate of 5 0%. The rate was selected to approximate the composite interest rates evallable on in selection of high-quality bonds available in like in. II. IV.d at Decembel 31, 2013.

The bonds selected had mammiles like coincided with the time periods during which bondilis pay incuts ate expected to occur, were non-callable and available in sufficient quartities to ensure marketability (at least tO 3 billion pal outstanding). Our current and deferred income taxes, and associated valuation allowances are impacted by events and transactions ansing in like normal course of businesses and nonrecurning items As a global commercial enterprise, our income lax late and the classification of income taxes can be affected by many factors, including estimates offine timing and realization of deterred income lax sascis and the liming and amount of income tax payments. We In the fact of the control of the co changes in tax laws as well as unanticipated transactions impacting related i

• Out Plant, property and equipment balance represents a significant component of our consolidated assets. We record plant, property and equipment at enst We depreciate plant, property and equipment on a straight-line basis over the estimated useful life of the as that a one-year increase id estimated useful lives of our plant, property and equipment would result in a decrease to our 2013 depreciation expense of SI ft billion and linat a one-year decrease would result in an increase of approximately \$2 I billion in our 2013 depreciation. ise would result in an increase of approximately \$2 I billion in our2013 depreciation

| Recent Accounting Standards

g standard update relating to the presentation of an unrecognized tax benefit when a net operating loss loss, or a lax credit curry forward exists was issued The standard update provides that a liahilary related kill should be offset against same innecledion deferred lax assess for a net operating loss carry forward, a redit estryfurweid if such settlement is required of expected in the event lire uncertain lax position rs i this standard update doting the first quartot of 2014 Wo ate cullettive evaluating

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plember 2 Ji≡ 1 3 Vell/mi erected into a stock purchase agreemeni (the Stock l*ureil3sc Agreemen rship and 5uch imerest, the Vodafone interest) fur aggregate consideration en' approximately S13l: hill.on nent) with Vodafone and Vndainnr m'm Limited : Seiler* plu-eiam t" whie h Ven/un agreed lo acquire Vodafone's mdircti 45". Inleresi in CelKo Par: net slop d'b a Ven/on n

Un Fichtuaty 21 2014 pursuant to the Illim- and jubject to the conditions set fortil in the Slock Purchase Agleenieni. Ven/on acque iii (the Wirth as I ranses*I mill illiom Seller all off.be issued and outstanding capital stock (the Transferred Shares) of Vodefone Pulled # Transferred Shares, upon completion of the Wirth as a unabled for your in Seller (VI'I Int > which indirectly through terrain subsidiaries (together with VI'I Int . Illi Purchased 1--sum cus+) owned the Vodefone Interest in consideration to the Transferred Shares, upon completion of the Wirth as a transferred Shares, upon completion of the Wirth as a transferred Shares in the Wirth as a transferred Shares, upon completion of the Wirth as a transferred Shares (Wirth as a transferred Shares) and the Wirth as a transferred Shares (Wirth as a transferred Shares) and the Wirth as a transferred Shares (Wirth as a transferred Shares) and the Wirth as a transferred Shares (Wirth as a transferred Shares) and the Wirth as a transferred Shares (Wi shares The total cash paid to \ori.itor.c < file://livin.itor.c> .md the- other cos's of the Wireless 1 rational condition 1)

It all cor dence with III. a. e I .uutuij; standard on consolidation a change in a puent's ownership interest while the parent retains a litrireihilig linuuc nil mere et in ne subsidiary is accounted for as an equity transc

WilJiss -\r,s illtiLrcrie.c between thi lan v jjuc of the consideration paid and the amount by which the noncontrolling ulic

I in I ebn: .r, 21 (7.14 Velicor: md \ od.li. Tile also imph tunned the -nie of the Omnitei Interest [tire Ouuntei Transaction] by a suh-idi.in oi \\.\.". to .= subsidiary \(\cdot\) Vodatione in c-syntct linn with the Wuelcas Transaction pursuant to a separate share out ii.i.i al. toe ment We will limuliA

ine Vct;??-II Notes were issued presuent to Venion a existing indenture. The Vertzon Notes were issued in two separate series with 52.5 billion dut FeSnrary 21.02.2 and 52.5 billion due February 21.20.71 The Vertzon Notes bear interest at a ti...ituig rate, which ut: h. reset cfulle./v witll nil. nil. parable cigracely in ancials. beginning May 21.2-III The cight-voal Venion notes be-." Illianci-. I a rate ali...; right in ancials. beginning May 21.2-III race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/lequil. For notes bear mure:: at a ti...; right race acquil. shiftp/leq

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Subseque in to the transaction in the the transaction in with T- Mc-bile in the transaction in with T- Mc-bile in the transaction in the transaction of the transaction is a second of the transaction of the transaction of the transaction of the transaction is a second of the transaction of the transaction is a second of the transaction of the transaction of the transaction is a second of the transaction of the was not significant Additional ly we obtained eontnd of previiiii-ly a r.con a r.con soli dated wireless partnershi ps which were pieviously recounted for under ilie cquitv method and aie now consolidat ed which ro.suheJ in an iinmaienal cam We icroided cam We iceoided SO 2 Fill ion oi goodwill as a nsuit of these Iran-actions FCC Regulation

Veriun often many different broadband and Internet access service; The FCC lias aduptie-d a "series of orders thai impose lesser regulatory requirements on broadband sen ices lhan apply in older voice and slower daia services For example cenain facility unbundling requirement) that apply to narrowband facilities of traditional telenhone communies do not anoly to havadband facilities. In addition the FCC concluded that bulls wareline and wireless broadband Internet access services multivas larvely deresulated Infonnation services Out bioadbatid Internet access services are subject to various attenuated to impose so-called nei work neutrality 'niles some of

which were allianced and others vacjied on .ippeal in early 21114 Ven/on has been and remains committed to the Open Interne! which pins ides consumers with compel life choices and unblocled access to lawful wrhstlrts and content when, where and how they want 11 ns will not change in light of the court's decision Our commitment applies to bloadband liniemci access services provided ovci both out wneline and wireless networks and can be found on oui website all http://responsibility v.en?on com/bmadhand -commit me ni commitment applies to bioadband Iniemci ac FiirVo

rs a inulti-cli.iiirit video sen ice ihat is regulated like traditional cable service I he FCC has a hod) of rules (hai apply to cable operator*, and these rules also gericially apply to Ven/on In addition, the Act generally requires companies to obtain a local cable* franchise and the FCC has adopted rules (hai interpret and implement this requirement In areas whicte Venzon of Teis its facilities-based multichannel video services, Venzon has typically been required to obtain a franchise from local authoritie

Venzon offeis mmy different wireline voice sen ices, including traditional telephone service and other services that rely on newer technologie- such as Vol] For regulatory purpose-, legacy telephone sen ices are generally considered to be "common carrier" services Common carrier services are subject to heightened regulatory oversight with respect to rates terms and conditions, and other aspects of the sen ices lhe FCC bus nol decided the regulatory classification of VoIP hut has said VoIP service providers must comply with certain rules, such as V1 I rapabililiies and law enforcement assistance requirements

> transfer of wireless communic all oils systems And all wireless sen ices require use of radio frequency spectrum the assignment and distribution of which is subject to FCC oversight Venzon Wireless anticipates that it will need additional sped mm in meet future demand li can tijcei spee truu needs by purchasing licenses or leasing spectrum from others, or hy participating in a competitive bidding pine ess for new spectrum from the FCC Uolb piocesses ais subject lo certain reviews, approe lis. and pote niial conditions

> Today. Ven'on Wireless holds I CC spectnini licenses thai allow it to provide a wide range uf mobile and lixed communications services including both voice and data services PCC spectrum licenses typically have a term of 10 years at which time they are subject lo renewal While the PCC routinely renewed all of Verizon Wireless licenses challenges could be raised in the future II a wireless license where rev solded or not renewed. Venzon routinely renewed all of Verizon Wireless' licenses challenges could be raised in the future II a wireless license were revoked or not renewed. Verizon Wireless would not be permitted to piowide sen ices on lire spec lum Some of out licenses tecupie' us te; equiply why not scalled 'soccess' FCC regulations winch generally require licensees of pail ii it la: spev I rum to a! low- custome is lo u-e dev icec and appliciniois' of lire u choice, subject to certain technical I inula (ions libe FCC has also imposed certain specitic mandates on wucless carners including construction and geographic occurage requirements, technical operation: siaiulaids, provision al enhanced 911 services, roaming obligations, and requirements tor wireless lower and anienna lacilines

> The Comuuuiicaiioiis Act imposes restrictions on foreign ownership of U S wireless systems The FCC has approved the foreign owneiship in Ven/or thai has resulted uoiii lhe Wireless Transaction In addition, Venzon Wireless Verizon and Vodafone entered into tin agreement with the federal government that imposes national security and lawenforcement-iclaicd obligations on the ways in which Ven'on Win.less sicirx.s infonnation and otherwise conducts its business

Imeicmnei Com/re midirimr and iVer.. or* At i im

The FCC regulates some of the rales ishal earners pay each other for the exchange voice nattic (particularly traditional wireline traffic) over different networks and other aspects of interconnection for some voice sen ices In many instances. Venzon makes payments to other providers and in tuni \
enron receiv es some payments from other earners In 2011, the FCC issued a broad reform order changing, among other things the framework fur enon receive se some payments from other earners In 2011, the FCC issued a broad reform order changing, among other things the framework fur many of the per-minute rates that each other for the exchange, of voice iraillo. The new rules gradually reduce many of zero This order is subject to pending refoundation petitions and appeals Tire FCC ufso regulates some eif the rates and ten ni nfiel conditions to certain wireline 'special access and oilier sen tees and network facilities Verizon is both a seller and a buyet of these sen' ices For example, on the we rithen side Verazon sells wholesale cuestlis to other vine and data sen ice providers On the wireless side. Verazon purchases speciess and other services to transport traffic to and from cell towers In addition, as required by the Acl. Verazon unbundles certain wireline network elements and makes these facilities and services available to other network providers.

The Communications Act charges the FCC with enjuing that certain groups and areas have access to communications sen ices, including rural and othet high-cost areas, low income subsenbers, schools and libranes. rural health-care organizations, and deaf and hard-of-h can rig individuals The FCC established different subsidy and discount programs to achieve these goals To pay for these programs, the FCC requires contributions from providers such as Venzon based on reported revenues for certain services Venzon also receive some payments from some of these programs but is a

ons with respect to certain idecommunications intrastate matters Venzon operates as an "incumbent local exchange carrier" in 14 states These incumbent operations are subject to vanous levels of pricing flexibility and other state oversight and requirements Venzon also has other wireline operations that are more lightly regulated In addition, as a video sen'ices operator in many states. Venzon has been required to ohiain a cable franchise from local government entities, or in some cases a stale-witle franchise, and in comply with certain one-time and ongoing obligations as a result Hueleis Seriect

ons Acl generally preempts regulation by state and local governments of the entry of, or the rates charged by, wireless camera The Act does not prohibit states from regulating the other "terms and conditions" of wireless service. For example, some stales attempt to regulate wireless impose reporting requirements. Several Stales also have laws or regulations thai address safety issues (e.g., use of wireless handsels while driving) and taxation matters. In add M ion, w i re less lower and antenna facilities are often subject to stale and local zoning and land use regulation, and secunng approvals for new oi modi lied facilities is often a lengthy and expensive process

Doting rtrOe unde: a government -approved plan remediation commenced all the site of a finimet Sylvama facility in llicksville. \(\) is Voik that process.il \(\) in Lai liiel it-ds in the \(\) if \(\) is A government -approved plan remediation on sproved to be necessary and a reissessriic M nl ihe anr ic \(\) it \(\) is void to be necessary and a reissessriic M nl ihe anr ic \(\) it \(\) is a conducted A reassi.sSinc rtr of softs related to remediation. Il.nts. \(M \) cr. era! oilier lomic tat rittic-wa- also undertaken In Sepiembei 2"05, the Army Corps of Loggreers [ACF1 .neepted the Hicksi ilie ,iie into ihe Formerly Unli/en Sites Remedial Aclimn l'lugiam This may result in the Ai*F. performing some oi all of the reined I anon cllor. \(\) ei ihe I her. \(\) iil \(\) iii with a cmnc-punding decrease in costs to Ven'un To line extent that the AO: assumes responsibility i'n r merli.il \(\) veuv. ai the I be \(\) k*vill s de an adjust men I lo a reserve prev lotisly established foi the remediation may be made \(\) idligits; i'n r in \(\) i'n reserve nay al.-e- be made

mental mon cllor. Is in the Inc-x-lilt' nic with a came-pending decrease in costs to Yomim To the extent that the AO: assumes responsibility "in a much in this report we have made forward-dooring statements and the statements and the forward-looking statements and the limit of the forward noncempt and the properties of the post when the properties of t

To The Board of Directors and Sharrowner' of Veriztal Communications Inc.: We have audited Verzon Communications Inc and subsidianies (Venzon) To The Board of Direct tun and Sharrowner's of Veriztal Communications Inc.: We have audited the accompanying consolidated balance sheets of Venzon Internal control over financial reporting as of December 31, 2013, based on critical statements of income, comprehensive Committee of Sponsoning Organizations ofthe Tread way Commission in 1992 (1992 framework) (the COSO critical) Venzon's management is responsible for maintaining effective internal control over financial reporting of the read way Commission in 1992 (1992 framework) (the COSO critical) Venzon's management is responsible for internal control over financial reporting of the read way Commission in 1992 (1992 framework) (the COSO critical) Venzon's management to internal control over financial reporting of the read way Commission of the Reductive Section (1992) (

File #: O2015-758, Version: 1 Cost of services .md saks (exclusive-of items slid Selling general and administrative expense Depreciation and amortization expense Total Operanng Epontes Operating Iricnmr Fquity in earning-, ot unconsolidated businesses Other income ;md (.expense). nei (Puji-Isiph) LVtreńi ii>; unY-mr Use.* Net In io me 44,887 27.089 16,606 (dollar*, ni millions except per share a 21)11 2012 46.275 3 9.5 St If>.4d(I 29.277 (5.73U> foreign currency translation adjustments Unrealized gain (loss) on cash How hedges Urrealized gain (loss) on marketable set un lies Defined benefit pension and po si retirement plans Other comprehensive-inociaic "rittbrilabje in Vortjut Other comprehensive income (loss) attributable to noncontrolling nierests Total Comprehensive income Complehensive income attributable to nonconilolling intelects Comprehensive in tonic allibuiable to Vcn/on Total CuiiprehcnMxe Income Sec Noies to Consolidated Financial Si 2011 (dollar* n 2012 7.71S 2.(i24 S 23.547 S 10,557 J I0.19H 1.841 li 23.655 S II.Sn J 10.41") 12.035 11,620 Net income attributable to nuneonlrolling interests Net income a.rti ibuuble to Verizon Net Income Net income attributable to Venzon Weighted-ai eiage shaic- outstanding (in million.-.) Diluted damings Per Common Share Net income astriliulable io Verizon Weighted average sh.ues nul standing (in million-) 4 00 2.874 Cash and cash equivalents Short-term investments Accounts iccetsable, net of allows; Inventories

Office of the City Clerk Page 263 of 320 Printed on 1/15/2024

Prepaid expense-; and othei loi.il http://loi.il cuncni ris>ci>-

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Total a'-ScIS
Liabilities and Kquitx Ciiirul liabilities
           Debt maturing within one year An niini.s payable ant! ai tiuei) Ji.jbi.Ji: OUre
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Cash Flows from Investing Activ ittes Capital expenditure* (including . aplitii Acquisiious ol inv e.sunents and biisine: (doltars in millions) 2012 2011
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S 23.S47 S 10,557 $ 10,198
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Vcjn Ended December3

Co mm en Stork Ralaocc at beginning ul year Halance at end ofyear

Contributed Capital Balance ut beginning of year Othei llalafiee at end of)ear

Kiin**vicd Farnings (Accumulated Defiiit) Isabnce at beginning of yen Nei income alinbuiable to Vcn/on

On irjends dec tared (52 03 5.2 0 t SI <)?.*.) per sh arc-Balance at end ofyear

Accumulated Olher Comprehensive Income Balance at beginning of year altrhillahle In Ven/on foreign cunency translation adjustments Unrealized gains (losses) on call: Row hedges Unrealized gains (losses on raiki.jyhic sccunti, Defined benefit pension and postictnicinen; p.an t >:her comprehensive income Balant e al end of year alinhuiabic to Von?on

Treasurv .Stock Balance at beginning otycar Share-.' purchased Employee plans (Noie 15) Shareirwnerplans(Note IS) Balance at end ol year

Deferred Compensation-CSOPs and Olher

Balance at beginning ol year Restricted stock equity grant ∎Vir.onizatioii Is.ilance at end ofyear

Nonce niralling Interests Balance at beginning ofyear Ncl income attributable to noncontrolling interests Other comprehensive income 'loss'). Total comprehensive income Distributions and other Balance at end ofyear

Total Equity

(dollars in millions except pet share amounts, and shaic* m thousands)
2013 2012 2011
Amount Shares
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(tiS) 93b

(133,594) (5.002) (140.587) (5,267) 11.434 13,119 11.05,610) (3,161) (109,041) (4.071) (133.594) 12.0,50

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Description of Business

9.682 10

s services acioss one of the most extensive wireless nei winks in the United (4C0 Long-Term Evolution (LTE) technology and third-generation

Venzon Communications Inc (Verizon or (he Company) is a holding company, which acting ihrnugh its subsidianes is one of lhe world's leading piuvideis of cnnunuilicatiuris, in foi man on and enieriainnicil! products and semres to consumers, businesses and gos emmenial agcucic-s with a presence in over 150 counines around lhe world Wichave two reportable segments, Wireless and Wincline For further information concerning our business segments see Note 13

The Wuclr₂s segment provide* witelc: .Stales (US) and has the Liigcst fourth-(30) nctwoiks of any U S wueless service pros

ITIE Wireline segmcril provides voice, data and video communications products and enhanced services including bioadband video and data corporate notwiking solutions, data comor und clutid sets tscs security and managed network services and local and lung distance voice services Vt e provide these products and -crs ice-, tu i onsinners m the I'm led States as well as tu earners businesses and government cu si omen boih in ihc United States and in oc er I 50 o'.hct i outlines around the world

Consolidation

The method of accounting applied to investment!, whichic consolidated, equity or cost, ins o lives an e* alualiun of all significant lenns ofthe investments that explicitly gram or suggest evidence of eontiol nt influem ent ei the operations uf linc investree The consolidated financial siaicments include our controlled aubstraines had ain not wholly-owned, the noire influding interests are un hided in Net income and Total equity in vestments in businesses which we Jo nut control but have the ability to exercise significant influence over operating and financial policies, ale accounted for under the cost method Figuity and Tosi method investments are included in Investments in unconsolidated busint'sst s in our consolidated balance shecis Certain of our cost method investments ire classified as at aliable for-sale rules and adjusted to fain value pursuant to the accounting siandard related to dehi and equity securities. All significant ineicompany accounts in dislasations has been eliminated

Basis of Presentation

We hate reclassified certain prior year amounts io conlimn to the rurrcni yeat piesenuiton Use of Estimates

We prepare our financial statements using U S generally accepted accounting principles (GAAP), ivbich require management io make estimates and assumptions that affeci reported amounts and disclosures Actual icsults could diffct from those estimates

: for doubtful accounts the lecoverability of plant property and ihcl long-lived asscis. unbilled levcnucs fan values of financial; on la x asscis, accrued expenses, pension and postictilement benefit in connection with business combination*

Revenue Recognition

Multiple Delnetable Arrangements

In both our Wireless and Wireline segments, we offer products, services, or a combination of products and services to our customers through bundled arrangements. These arrangements involve multiple deliverables which may include products, services, or a combination of products and services

See Notes tn Consolidated financial Statements

H'irelen

Our Wireless seament cams revenue onmanly by providing access to and usage of its network in general, access revenue is billed one month in advance and recognized when earned Usage revenue is generally billed in arrears and recognized when service is rendered Equipment sales revenue

associated with the sale of wireless handsels and accessancs is recognized when the products are delivered to and accepted by the customer, as this is considered to be a separate earnings process from providing wireless scivice* For agreements involving the resale of thud-party services in which we are considered the primary obligor to the arrangements, we record the rev cliue gross at the time of the sale Foi equipment sales, we

generally subsidize the cost of wireless devices The amount of this subsidy is generally contingent on the arrangement and terms selected by the cuslomer In multiple deliverable arrangements which involve the sale of equipment and a service contract, the equipment revenue ta recognized up to the amount collected when the wireless device is told

H'uWifir

Our Wireline segment earns revenue based upon usage of Us network and facilities and contract fees in general, fixed monthly fees for voice, video, daia and eenain other services are billed one month in advance and recognized when earned Revenue from services that are not fixed in amount and ate based on usage is generally billed in arrears and rrongiuicd when service ts rendered

We sell each of the scrv ices offered in bundled arrangements U c voice video and daia) as well as sepaintclv. Iherc/We each product of service has t Man da lone selling pr.i.c For these jii.nijeu.; nts revenue i- allocked to each de. ivei.ble using a relative selling pine method On,lei tins meillod aliang. in, u: ce.m.,dcian-ii is alo.jrcd to ti.h icpaiate dein claMe ha;cd on our standalone >clling pinec lu: ca. h pioduci oi -trvnc" Ih-., s, rsiic- include I u > S *teivms iridisnlu:My or in bundle, and Nigh Speed Internet

When we bundle equipment with mainten*rne am! rr.minning servn.es http://servn.es we recognize equipment reenue when inc equipment is mil ailed in acemdaner with cnilit.ictn.il specilicijnms and reads to; thr »tistoine: s use T he maintenance and m.iniloiliig ierv ices are H'c'ogni/ed monthly over the lenr. of the contract .o wc pro vni c lire sen n-e

Feu eat h uf utu Segments wc report IJ.xes imposed by government ji autholitics on il vciiin -pitidusing nan .actions between US and our cusiomeis on n net basi.s

We eharge the cost of maintenance arid repairs including the cosi of itplaims minor items not tot.siituiing substantial beuenneills principally to Cost of set vices and sale* a- these .-o-1s are inclined

Advertising Costs

t'os's foi advertising products and ser, it e> as vs11 as olher juom -tional and -pon M-rsfnp i osts aie e hailed to Selling, general uiitl adininisiiaiive expense in the periods in which they are incurred (see Note I*)

FairuiiUS Pri Ciiniriinii Share

llasic earnings pn eonunori share are based on the iveighted-jv euge number oi s'.-ire-..itsiaidrug during the penod Where appropriate diluted earnings pel cnilinitin share mt bade tin dibit n e s Me ci of -han -. i - .liable tunic i i-iu -.n>ck -ha-.td i m;||ii

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As of Docem'trei 31 2D I i, we were autheri/ed in issue up to J 21 bilhf n and 2 >I> rmii.on shares of common truck and Sencs Fiefenet! Stock, n'sjiee lively Dn. J^nnaiy 2N. 2014 al. a spoilai riccting of on: 'ha;, hobins we re. civ od sjan 1-bolk; ajj.rot al. inelease our anifion/ei: sliurcs oj eomm. ri slock by 2 billion -hates i≼. m.n-yregate • ≥ • 2- b.h..|i .iiif.<-i7. d sh.m s ol cim.mon sn>ck On February -1 2014 il.Ls aiilh. ii/.thiii became clice tit e

Cash and Cash F.quiv |fvntv

lei all lngl.lv <http://lngl.lv> liquid ine l'stmcuK with a inalurily ol" '.⁴<' dav > oi le when pu l e ll.,-.. if 10 be Ca-h cqun jleuls l'^-h eipny ih-riisare st iter! al. . ojt which appro* .m.,ix s quo 1. d marLd value and .mbi;l. a:uoi: .-u- hi let in m.m. V mar*, r iiir.ds

Wu have investments m maikciahlr see-unties' winch uic considered 'a vailable-for-sale' under lihe pi u vinous of llu" accountling standard idi certain debt and equity .secunilies. and ar? included in the accompanying consolidated tub nee sheets in Short-term investments. Investments in unconsolidated business*, or Other assets Wc continually evaluate our investments in marketable securities for impairment due to declines in maiket value considered 10 he other-thal)-temporary That evaluation includes, in addition to persistent, doclimnsj slock pri.es http://pri.es. general economic and company-specific (valuations tu the event of a delennination that a decline in market value is other-thari-temporary a charge 10 earnings is recorded (or (he loss and a new cost basis in the investment n established in the investment n established).

Inventory ronsists of wireless and wireline equipment held f>r sale, which is earned at the lower of cosi (determined principally on

cither an average cost or first-in first-out basis)oi market

Wc ivcord plain, piopcity and equipment ai cost Piani, property and equipment of wireline and wueless operations are gencially depreciated on a straight-I inc basts

Leasehold improvements are amortized over the shorter of the estimated life of the improvement or the remaining tenn of the related lease, calculated from the tunc the asset was placed in sen ice

When the depreciable assets of our wncline and wireless opeiatioiis arc retired oi otherwise disposed of the related cost and accumulated depreciation arc deducted from the plant accounts and any gains oi losses on disposition aie reiOgni/cd in income

We capitalize and depreciate notwork softwaic purchased or developed along with iclated plant assois Wc also capitalize intelest associated with the acquisition of construction of netwulk-rel.ucd assets Cap it a lived interest is reported as a reduction in interest expense and depreciated as pan uf the cost ol the network -related assets In connection with our ongoing review of the estimated remaining nvir.ree useful lives nt plant properly and equipment At our local telephone opeiatioiis, we et et eim tired that there were nu changes necessary foi average useful lives foi 2013, 2 111 2 and 2011 in connection with our ongoing review of the

estimated remaining nv n_ge useful lives of plant piopeny and equipment a: our wireless opeiatiois, we determined that changes verie ncicesaly to the remaining estimated useful lives as a result of technology upgrades, enhancements, and planned retirements' These changes resulted in an increase in deprecialicu expense of SO 4 billion in 2011 While the timing and extent of current deployment plans are subject to ongoing analysis and modification, we believe the current estimates of useful lives are reasonable

We capitalize inc cosi of intomjI-u.se <ntp://intomjI-u.se> net work and non-network software that has a useful lite til excess of one year Subsequent additions modifications or upgrades to internal-use network and non-network software arc capitalized only lo lire extent that they allow the so fi ware to perform a task it prov niusly did not >nfr>rin Planning software maintenance and tialitudg costs are expensed in the penod in which they are inclined Also, we ripilitie interest associated with the development of inlenil. Illies netw-osk and lion-network software Capitalized nun-network intenial-use software costs are amortized using the straight-line method ovei a penod of 3 to 7 years and lie included in Othei intangible assets net in out consolidated balance sheets f oi a discussion of our pairment policy for capitalized software costs, sec 'Goodwill and Other Intangible Asscis' below Also, see S'otc 3 for additional detail internal-use non-network soil ware reflected in our consolidated balance sheets

Goodwill is the excess of the acquisition cost of businesses over the fair value ofthe identifiable net asscis acquired Impairment testing foi goodwill is performed annually in the fourth fiscal quarter oi mure frequently if irripjinnent indicators are present The Company has the option io perform a qualitative assessment to detennme it ihe tan value of lhe entity is less than its carrying value However, lhe the option to perform a qualitative assessment to detennme it the tan value of the entity is less than its carrying value However, the Cumpany may elect to perform an impairment test even if no indications rial a potential impairment sets. The impairment test for goodwill use> a uvo-stcp apploach. which is performed at the reporting unit level Wc have determined that in our case, the reporting units are our opetating segments since that is the lowest level at which discrete, reliable financial and cash flow information is available Step one compares the fair value other reporting unit (calculated using a maiket approach and/oi a discounted cash flow thordol) to list carrying value if the carrying x alue exceeds inc fair value there is a potential impairment and slep two must be performed Step two compares the carrying value ofthe reporting unit's goodwill to its implied fair value (i e . fair value of reporting unit less the fair value ofthe unit's assets and liabilities, including identifiable intangible assets) If the implied fair value of goodwill is less than the carrying amounl of goodwill, an impairment is recognized

Intangible Assets Nol Subject io Amortization

A significant portion of our intangible assets are wireless licenses that provide our wireless operations with the exclusive night to utilize designated radio frequency spectrum to provide wireless communication services While licenses are issued for only a fixed time, generally ten yean, such licenses are subject to renewal by the Federal Communications Commission (FCC) License renewals have occurred routinely and ai nominal cost Moreover, we have determined that there are cunently no legal, regulatory, contractual, competitive, economic or other factors that limn the useful life of our wireless licenses As a result, we treat the wireless licenses as a lindefinite-lived intangible asset We reevaluate the useful life deiennination fol wireless licenses each year to determine whether events and circumstances continue to support an indefinite useful life

led a qualitative

We test out wireless licenses for potential nnpai win-inc! it i.s more likely than not that the lan y; assc ssiih nt ice considered several uu.ililaiiw I conditions nnrluding change* in interest rates and

Tractes), industry and market considerations (including intustry revenue and EBITDA (Earn in 19 below interest, taxes, between earn and extractions), margin projected financial performance of Wireless, as well as other factors to 2012 and 2011, our quantitative assessment consisted of companing the estimated fair value of our wireless licenses to the aggregated carrying amount as offthe lest date Using the quantitative assessment, we evaluated our licenses on an aggregate basis using a direct value approach. The direct value approach estimates fair value using a discounted cash (low analysis to estimate what a marketplace participant would be willing to pay to purchase the aggregated wireless licenses as of the valuation date if the fair value of the aggregated wireless licenses is less than the aggregated canying amount of the licenses un impairment is recoftured

Interest expense incurred while qualifying activitics are performed to teady wireless licenses for then intended use is capitalized as pan of wireless licenses. The capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m substantially complete and the license is ready for it; intended use end for the capitalization penod ends when the development is discontinued m.

Intangible .-Kicli Suhj.; Oui intangible assets i! amortized over their esti ated ti.elul

rouiil ol'llic asset gioup utcd Cash flow* do uoi ne whether events

. mill-alums were present we would test foi neuvi ;i ihe nei undiscourned cash Hows expected to be gnreiaied tr.im i XoCod ihe carrying amount we svould pelionn ihe licit step w-lm mpaliment, il anv We reevaluate the useful lie deienr.inations

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iving amount oi goodwill hy s,cgn metui hv es of oui oihei acquired in

assets and liabilities is defined .is an exit on a liability in an «nlcilv transaction iiclwcci) i; iiieh piicint/cs the inputs used lit the metlio

assets oi liabilities ii a. live markets ioi

Quoted puces in active markets for identic i cl 2-Ohserv ahle inputs oilier than quotid prn es in , -eel 1 - N'r> observable pi i cine in pais in tin maikcl

uaiiiial assets and financial liabilities a:- cia>s:hcd it, it e ahre measure un uts Uur assessment ol itic sign Mica: d mav affect lire v .ilu.nion ot' ihe asscis and liabilities 1 r representing the amount thai would he ukd p.ni if.pant-, fin iluee-tier lueiaichy

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■ Wo use a lwo-s.cp approach im recognizing ind measuring tax Vy/PKikenol expected to be lakell me tax return The tirst step a*"s recognition we, determine wheted n < more likely lifa.ll http://lifa.ll not that a ux position will be sustained upon examination, including resolution any related appeals or liftigation piccesses, based on the technical mer.ls of the position in evaluating whether a tax position has met the inoto-likely-than-nol recognition threshold, we presume that the position will be examined by the appropriaci taxing authority liket has knowledge- of all relevant information. The second step is measurement a tax position in that meets like nn'll re-likely-than-nol recognition in measured to determine the amount of bene hi to locognition in the financial statements. The lax position is measured at the largester than 50 percent likely of being realistic upon uniform the second tax pull-time in a tax return and amounts recognized in the financial statements will generally result in one or more of the fallowing an increase in a hability income taxes payable, a reduction of an income lax refund receivable, a reduction in a deferred lax asset, of all increase in a de (erred lax liability).

nting etandald relating in income taxes generated by leveraged lease transactions requires that changes in the projected inning of income tax cash flows generated by a leveraged lease transaction be recordulted as a gain or loss in the year in which the change obtain

Significant management judgment is required in evaluating out tax positions and in determining ou: eliedn e lax rate

Stock-Based Compensation

Wc measure and recognise compensation expense for all stock-h.lser) compensation aw-aldx made tu employees and directors based on estimated fair values See Nuic 10 foi further deta

The functional cunency of oul foreign operations is translation adjustments in Accumulated other comp ations is generally the local curency For these foreign entities, we translate income statement amounts all avenge exchange tucl for the period, and we translate assets and liabilities at end-of-period exchange rate or comprehensive income a separate component of Equity in uur consolidated balance sheef- Wo report exchange gams and losses on nileicompany foreign currency transactions of a tong-drim nature in Accumulated or translation adjustments in Accumulated other comprehensive inenmo Other exchange gams and losses are reported in income

Pension and posiellieinem health care and life insurance bene life earned during the year as well as interest on pioleeted benefit obligations are accrued currently Prot service costs and credits resulting hum changes in pian heneflis are generally amortized over lire average remaining service pensod of lire employees expected in receive benefits. Expected return on pian assets is determined by applying the return on assets assumption to lire actual fair value of pian assets Actuarial gains and losses are recognized in operating results in the yeu in which they occur These gains and losses are measured annually as of December .51 of upon a re measurement even) Verizon management employees no longed cam pension benefits ut cam service towards lire company retiree medical subsidy [see Note I I)

We recognize a pension or a postretirement plan's hinded status as elitter an asset of liability on the consolidated belance sheets Ai-n, we measure any unrecognized prior -chvice costs and credit, that arise during the period as a component of Accumulated other comprehensen e

IVnx alive instruments

We have entered into deriv alive tiansarilons plittfully (o manage our exposure to :1m tilations :it foreign currency exchange trites, interest raises equity and commodity prices V/o employ risk management strategies which may include the use of a vanety of derivatives including crose cultimy examps foreign cultimy and prepaid towards and collars interest tate and tonuncotity swap agreements and interest rais locks We do not hold Jem alives fol tiading purposes

We measure all denv alives, including den v alive* embedded in other financial instruments, all fair v ahle and recognize them as clinic lassets or liabilities on our consolidated belance sheets. Oul denvalive instruments are valued primarily using models based on readily observable market perameters for all substantial terms of our denvalive contracts and thus are classified as Level 2 Changes in the fair values ofderevalive instruments not dotall fyin>- as hedges of any ineffective portion of hedges are recognized in earnings in lile current penod Changes in the fair values of denv ative instruments used effectively as fair value the hedges are recognized in earnings, alon J with changes in the fair value of the hedged thin. Changes lut the fair value of the effective portions of cash flow hedges are reported in Other comprehensive income and recognized in earnings when the

Recently Adopted Accounting Standards

Dunna the first quartet of 201 3, we adopted the at counting standard update regarding testing of intancible assets i'm

Impaumoul This standard update allows companies the option to perform a qualitative assessment is delicimitic whether it is more likely than not that an indefinite-live of intangible asset is impaired An entity is not required to calculate the fair value of an indelimite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not line asset is impaired Toe adoption of this standard update did not has e an impact on our consolidated financial

comprehensive income on the respective line items in our consolidated statements of income if the amount being reclassified in reputed to be reclassified in us entirely to net income. For other amounts that are not required to be reclassified in their entirety to net income in the same reporting period. an entity is required to cross-reference to other required disclosures that provide additional detail about those amounts See Note 14 for additional details.

Duling the third quarter of 2013, we adopted the accounting standard update regarding line ability to use the Federal Funds Effective Swap Rate as a US benchmark interest rate for hedge accounting pulposes Previously the interest rates on direct Trea>uty obligations of the US government and the London Interbank Offred Rate (LIBOR) were considered to he the only benchmark interest rates the adoption of this stand. Ild update did n.ll have a significant impact on out consolidated financial - late/insuts

In July 2013, the accounting standard update relating to the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar iax loss, or a tax credit carryforward exists was issued. The standard update provides that a liability related to an unrecognized tax benefit should be offset against same libradiction deferred tax assets for a net operating loss carryforward, a similar ux loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. Wo will adopt this sUndaid update during the indiquenter of 2014 Ver encounterily evaluating the consolidated behaves shock impact related to this standard update.

Acquisitions arid Divevriltucs I Wueless

Will U-ss Transaction

On Septembel 2 2n I 3. \ enitron c tin red into a stock pulehase agree mem (the Strit k Fun hi.se http://hi.se \http://hi.se">http://hi.se \http://hi.se \htt

On February 21 2014 pursuant to the telins amil subject to this conditions set forth in the Slock Pun ban Agreement \(\) rizor. acquired tibe Wireless transaction\) lie-m Selier all of the issued .md -.ui-tanjin; capita; sty. k (the 1 fall sorted Shales) of Vodefone Americas Finance I inc a subsidiary of Selici IVFI Inc) which induces the through certain -djaldiarros. Cogo the: \(\tilde{\text{u}}\), Inc his liftcheed Entitles) owned the Vodefone Interest in consideration for the Tlamdened -ehares upon completion n'litre Wireless Transaction. Virum ||\) paid approximately Sfl \(\tilde{\text{u}}\) in a shift (n) issued approximately \(\text{M}\) | a billior. of \(\text{vention Rote in a dust) in the size of the list of

In accordance with the accounting standard on consolidation, a change in a parent - ownelst.p microst while the parmit retains a continuing linencial inletest in its subsidiary is accounted to as an equity tr.ineal inn and reliesastemelli ofsessel, and liabilities of pieviously controlled and consolidated authorized presented As a result w. will account in 1/1 the Wusless Trans.account by lidint-hing the tearing amount ed the none orticiting Litid. 11 to n tim: the or; j-lige :: v: I livil is ; verif. : hip this it at in Vorion Wheeless Any difference in a quarter of the consolidation. In the original control of the consolidation o

On lehr-lmy 12"U. Ver/In and Vodatone also implemented the s.ir of the Ommici imelcal (the Ommici imelcal (the Ommici inelcal (the Ommici inelcal

Die Vertzon Notes were issued pursuant to Vertzon's extelling indenture. The \en/on Notes were issued in two sep-nitie series with \$2.5 billion .ine r.-hni.nv <ntip://r.-hni.nv <21.207? ami \$2.5 billion due i. mnary 21.20-24 be W-t/ou Nuio-bes: inici. si _t a liceluig rate wittit will be reset quarity with interest psyable equal bit in line. In line in lin

Oihvi CoMMtlvitieii Included J shares ivide ...es Roth lent f. shares cumulative pre IPrefened Sunk) the Si by Apnl outstanding) and (K25.0f)0 shares outstanding) mandjionly redeemable in .000 pel share plus any accrued and unpaid dividends rue М 3'i per and inicies! Holh Class I) and Class recoided The unaudited pro earnings, incuned and the indebtedness incurred connection wnh the sac nutsianding Wueless ned Sloek. the losing the Transaction, adjustment lhe divide the l'refe adjustm.

http://contniitu.il amortization ot dcbi costs contniitu.il underlying associated Vcn/on pm loriua condensed consolidated statements of income on net itieome attnbutable to v enroll forma unaudited results pies.-nled purport have actually obtained the Wireless Transaction had occurred as nf January 201 nor deics the pro forma data intend to he a projection of results that max be obtained in the future* opei.nions l'raiis.ie Hon minpleied

Yeats ended Dcceuibei .11. Net income aiinbutable to Ven7on 2013 2012 S 17,UP8 S 4.44^l>

Spectrum Cicerisr Trans actio us

nce 2012 we have	entered into seve	eral strategic	speclrum transaction	s including														
 Dunng 	lire	thud	quartet	ol	2012,	aliei	receiving	ihc	required	regula	tory	approvals.	Ven/on	Wireles	s	completed	the	following
previously	annound	ced	transactions	in	which	WC	acquired	wireless	spectrum	ihal	will	l be	used	to	deploy	additional	40	LTE
capacity																		
	Venzon	Wireless	acquired	Adv	v anteo	۱ t	Vueless	Services	(AWS)	spectrum	in	separate	tiansa	iciions	with	SpecimmCo	and	Cox
TMI	Wireless.	LLC	for wh	iich	it paid	an	aggregate	of	S3 9	billion	at	Ihc time	ofthe	closings	Venze	on Wireless	has	also
recorde		liabili		4	billion	rela	ted io	a	three-}	car	service	obligation	to	Specimm	Co's	members	pursuant	to
comme	rcial agreements	executed cor	ncurrently with the Sp	ectrumCn to	ransaction													
Venzon	W	/ueless	completed		liccii.se	<http:< td=""><td>://liccii.se></td><td>purchas</td><td>e and</td><td></td><td>xchange</td><td>transactio</td><td>ons</td><td>with</td><td>Leap</td><td>Wirel</td><td>ess</td><td>Savary</td></http:<>	://liccii.se>	purchas	e and		xchange	transactio	ons	with	Leap	Wirel	ess	Savary
Island	Wueless	whi	ch is	majority	owned	by	Leap	Wireless	and	a sub	sidiary	of T-Moh	nile l	USA lire	(T-	-Mnhile US	A) A	a a
result	of	these	tiansaciions		Vcn/on	Wireless	receive	d an	aggiegale		t)	billion	of	AWS	and	Personal	Con	nmunication
Service:	s (PCS)	lice	nses at	fair	value	and	net	cash pr	roceeds ol	so	2	billion, tra	ansferred	certain	AWS	licenses	to	T-Mobile
USA an	d a 700 megahe	rtz (MHz) low	ci A block license to	Leap Wirele	ss, and rccoided	an immateria	al gain											
 Dunng 	the	first	quarter	of	2013.	wc	completed	license	exchange	transacti	ons	with T-Mo	bile	License	LLC	and	Cnckct	License
Company,	LLC,	a	subsidiary	of	Leap	W	/ireless,	lo e	exchange	certain	AWS	licenses	These	non-c	ash	exchanges	include	a

aggregate

- Dunng the third quarter of 2013, after receiving the required regulatory approvals, Verizon Wireless soid 39 lowci 700 MHz B block spectrum licenses tn AT&T inc (AT&T) in exchange for a payment of SI 9 billion and the transfer by AT&T to Venzon Wireless of AWS (10 MHz) licenses in certain markets in line westom United States Venzon Wireless also sold certain lower 700 MHz B block spectrum licenses to an investment firm for a payment of J0.2 billion As a result, we received SO 5 billion of AWS licenses al fair value and we recorded a pre-tax gain of approximately SO 3 billion in Selling, general and administrative expense on our consolidated statement of income for the year ended December 31,2013
- Duning the fourth quarter of 2013. we entered into license exchange agreements wilh T-Mobile USA to exchange certain AWS and PCS licenses These non-cash exchanges, which are subject to approval by the KCC and other customary closing conditions are expected to close in the first half of 2014 The exchange includes a number of swaps thai we expeel will result in more efficient use ofthe AWS and PCS bands As a result of these agreements, \$0.9 billion of Wueless licenses are classified as field (or sale and included in Prepaid expenses and other on our consolidated balance sheet all Decoration-r 3 I 2013 l'puin completion of the transact inn. we expeel to rec out an irr.rr.tienal gain
- Subsequent to the Iransaction with T-Mobile- US-\ in like iciuith quarter or. itU3 on Jarmaly t. 2nM we announced two agreements with T-Mobile USA wirb iceped to our remaining 1W Mil/ A block spectrum licenses! aider one agreement we will self «crti-iii o-i tiles,- iieens.-s lo I-Mobile I ISA in exchange Ivr cash coisidit riliou of ajipioMinalcly 52 4 billion, and oncer the second agreement we w:l| exchange the remainder of these licenses for AW> ami PCS ...pecirutr. licenses These iranvaciinu* are subject to the approval ofthe 1°Cl as wet) .n other customary closing conditions These iialisaction.s aie rxpr. ..-.J to close in lbc middl— of 2UI-l

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During 201 \ sir ... quired v annus ottic i ec-ir.-b ss li. enses <nd riulkeis l..r cash consid. ration ihat was not staniii, and Additionally, we obtained control of previously une on solidated wireless iiartneisliips, which wete previously accounted fvi undei the equity method and aie now oits, [i.d.ned which resulted $_{\rm m}$ an immaterial gain Uc iccotded \$0.2 billion of goodwill .is ,i icscit of these

Dunne 2d 12. we acquired v.vious other wrrele.s licenses anil mark ets for cash consideration that was not signifrean and iceoided Jit 2 billion of goudwill .is a result of these transactions

Durir." July 2017: we acquired 11L'< '.HIS If Icm.ilics, Ine 11 II.K il ICS Telimatics; lor appro, uruiely il 2 pei sli.,re in cash loi a tola! acquisition price of SO n billion As a rcMili oj Die iransaeiion. Ill IOIICS leleniaitcs became a wholly-owned subsidiary of Verizon Ihe consolidated tinatieial stjicmonts

completed on January I. 2-x12 < i 2U1 I the ifs., hs of tire air quired operations of HC-iiill's felem: ilics would not have had a Mgnite-jitl impact on the consolidated ncl incurr, attributable to Venion The jc quit.il <a href="https://doi.org/10.11/1

The acquisition of Hi. OMIIS 1 cleiliaiKs was ae ontilled loi as a business eombir.-ilton under tin- aiquisilion mellmd I he cisi <i ihe .icq jiMti-n w-'s allncjicd n. the assets ..rid liabilities .lupiued base; or: then Itir value-..s ..fihe cl.'m of ihc a. ruisili,ri with lire fivess amount being rec ord rd as j oodwil

.?lining .!pn; Jill i w. aeqiiiud lem riu.k W ond". Ile hie (I cm-mark) a glotial prov I.ler of in formation lech living y infrastni. lure and . loud sctv/ccs fol S !º per sfuic in eash Clom:lj; .md othei direct acquisilion-relaied costs totaled approximately 11 7 millium aftci -ttt.x Die acquisition was completed i ia a iencler offei followed by a short-fonii" tnciger undei Delaware law through which leirematk became a wholly-owned subsidiary of Ven/on lite a .quisimn enhanced Ven/on s offerings to business and gruver-mer-I fi.s.on,ns *h.h.llly

The lonsohdated [main :at s-.aten.ents include lire re'sults of letieiri.uk http://letieiri.uk s operations from the date the aeriUlsili..n closed H...J tins

JCquis:i:on hetn consummated oti January I. 2(11 1 the rrsnlls o! Icneinatk \ acquired uperatim-.s would not h.i> e had a sigriifn a:it

mpiici on lite .+:.ri'..:lida:ed n.-t income il'nbutaUe re. V.-n.-ort lhe .J.-fc- o-th--atnu:-- of 1 eitemari. Il.al were o.ilsiatidi.-.e a: lh.-

lirne o: Us acq ii is i: by v'en.-.-n wen icp.nd duiiiig xl.-.. "it I!

Durn| the fourth quarter of 2013, Venzon acquired an industry leader in content delivery networks fur SO 4 billion Wc expert (he acquisition will increase out ability to meet the growing demand for online digital media content Upon closing, we recorded SO 3 billion of goodwill Additionally, wc acquired a technology and television clinud company for cash consideralmn thai was not significant The consolidated financial statement! include the results ofthe operations of each of these acquisitions from the dale each acquisition closed.

Oi) Januaiy 21. 201-1 Ven/on announced *n agreement to acquiie a business dedicate J to the development of cloud televisiu products and services foi cash consideration that was riul sign i fie ant The tiam.ai.tion < http://tiam.ai.tion/.which was completed in Fi binary 201-1 i expected to accelerate the availability of next-ge

Othei Intangible Assets The following table displays the composition of Othe

Goodwill and Othet Inlaggilile Assets

Wireless Liermei

Changes 1,1 'he canyirig amount of Wueless licen

At December

Customer lists (5 to 13 years) Non-network, internal-use softw Other (2 lo 25 years) Total

mulated Amount Amrir(i7atlon

979 4.4SJ i 3.5'6 10.415

(2,660) lUm

Amount Amount Amortization Amount

(2.*.iH) S I.2IK |b,210) 4,205 (292) 510

77.744 579 (2.3*1)

S 16,100 S (10,300) S 5,1100 S 14 773 5, (H h40) a 3.933

A.'-quiMnonM'Noie 2.1

Reclassifications, adjustments and other Balance at December 3 1,2012

Dispositions fN'otc 2)

Capitalized inteiest on wueless lu enses

ssifications, adjustments and other Balance al December .11,201?

Reclassifications adjustments and othet includes SO <) hillion of Wueless licenses that ate classified as held for sale and included in Prepaid expenses and either on our consolidated balance sheet at December 3 1 2013 as well js ihe exchanges of wireless licenses m 2013 and 2012 See Note 2 loraddition.il http://loraddition.il deials

pitalized micresl on win less licenses

At December H 2tl3 and 21112 approximately 17.7 billion and S7.3 hillion. respectively of wireles.. licenses were undei de clopmeni for commeicial service foi wlufh we were capitalizing interest costs

The amortization expense for Other intangible assets was as follows

2013

nuated annual amortisation expense for Other intiingible assets is as fellow

1.5117 1.540 1,505

Office of the City Clerk Page 269 of 320 Printed on 1/15/2024

Tlie average remaining renewal period of our wireless licei additional details

Goodwill

Changes in the canying an

Balance at January 1,2012

Reclassifications, adjustments and or her Balance al December 3 1 . 2012 Acquisitions (N'oie 2) Balance at Ds-cember 31, 2013

The following table displays llic details of Plant, piopeity and equipment, which is stated at cost

495

Wireless Wireline S 17.<)(,3 S 5,394 S 23,357 209 551 7h0

S It! 172 S 5967 S 24.139 204 291 5 1(1,376 1 4,2511 a 24,634

Land
Buildings and equipment
Central office and other network equipment
Cable, poles and conduit
Leasehold improvements Work in progress Pumiture, v ehicles and other

Less accumulated depreciation Total

I5J5 3-15 11-50 5-20

3-20

(dollar 201.3 S S19 2J.S57 121,594 55.240 5,»77 4,176 9307. 220,865 131,909

n millions) 2012 S K59 22.909 1)3.2.62 53.761 5.404 4,126 9,254 209.575 120.933

loresnnents in Uaeosuolldaled Businesses

Our investments in unconsolidated businesses are comprised of the following

Vodafone Omntiel

(dollars in millions) 2013 7012

Venzon Wireless Wireless partnerships and olher (dollars m millions) 2013 20)2

J 55.465 1.115

Cost liivr>lrrv <http://l> ol.il <http://ol.il> in'- esrmitii

On idemts and ic pa; nations ot tore: ft ti e amines icecived tioiu these in', , ; K es were not significant in 2013 Ml >> fill ion i: i.is 1.' and SO ">> bit'.ion n: 21) 11 Sec N'.m. i 2 n.gj'dilig -md isl rihuKsl C.; ttiinc.s. jt oui lelicigi. -ubsi.li ji o.s

Lquity Method Inv estmeuis

f....',I/>.-c Oinlit.;'

Vodaloiie Oman tel N' (Vodaloru Urmitel) is one of the Lui;est wireless e ommunic uiotis lomparues in Italy A: Deicmbei 11. 2011 and 2012 oui mve-tmeiil in Vodafone Omrmel included goodwill of H 1 billion acid Si 0 billion respectively As pari of the coil.sideia/.ion r.\ tj-e V.frele j-s lr.'.m..a jor, --ubsidi.ir. id \n.,-5i si.Id its enine owiieslilip inui: si in Vodalo-w. tViinili*, io a subsidiary of Vodalo-w. tViinili*, io a subsidiary of Vodalo-w. tViinili*, io a subsidiary of Vodalo-w. to a long to the coil. side of the c

The remairiir, g investment; unhide wile lees par'.m i-hips in the I'S limited pattin iMiip investments in intilie, that invest in affotdablr huusing projects and oihei smaller domusiic and inicrriation.il http://inicrriation.il investments in intilie, that invest in affotdablr huusing projects and oihei smaller domusiic and inicrriation.il https://inicrriation.il investments in intilie. that invest in affotdablr huusing projects and oihei smaller domusiic and inicrriation.il https://inicrriation.il investments in intilie.

Summarised I-mane ill Jnforuiaiion

Summaii/r,! financial information foi our equity invoice, is as follows AW, -!, -.

(dollars in millions)

S. 1.Vs.1 <. l-uiVenl Js"ets" 7.74H >∎]SU Noneurreni -'sseis S I 11?31 1 1 I. h?5 Toialas.cts S JftDZ i\Vr. ?.s e urrein liabilities Veais f.rnieei IVieiube S H.UH4 1 032 i Wueless) Cc lis Ji Vi 117011 pan! in the sec v.7 0 billion illy couipiised ol Cellco Partnership doing but'iucs* as Ven/i. aimed m Aiuil 2H0(t by the combination oi'th, US wirelisioi !, 2111 . \eri/on c.wnetl a controlling 5^i interesi in Wrifo 21. 2IH-:. Ven/on comj-lelcl li e Vvireless I rjrisa.-i.c S/cr i.iV Distribution h was paid ii .f SS 5 billiu; In Ma> 201 3, the Ltoard of Repiesentatives of Wn/on Wireless iteclaçed a distilution m n.i. quarter of 2013 in proportion to then partnership interests on the payment date in the ag. ic-uli. Vodafone r.i. titiv cil a cash payin.nl ~14ttp://payin.nl> of \$31 l^> bitli,-ri and the lern.linde i.-l the distilimition of the partnership interests on the payment date in the ag. ic-uli. Vodafone r.i. titiv cil a cash payin.nl ~14ttp://payin.nl> of \$31 l^> bitli,-ri and the lern.linde i.-l the distilimition of the partnership interests on the payment date in the ag. ic-uli. Vodafone r.i. titiv cil a cash payin.nl ~14ttp://payin.nl> of \$31 l^> bitli,-ri and the lern.linde i.-l the distilimition of the partnership interests on the payment date in the ag. ic-uli. Vodafone r.i. titiv cil a cash payin.nl ~14ttp://payin.nl> of \$31 l^> bitli,-ri and the lern.linde i.-l the distilimition of the partnership interests on the payment date in the ag. ic-uli. Vodafone r.i. titiv cil a cash payin.nl ~14ttp://payin.nl ~15ttp.//payin.nl ~15ttp.//p lit November 201? Ilic He.aid of Represemalnes of Veri/on Wueless declared a distribution fourth quarter of 2012 in proportion to then pattner/hip interests on the payment date in the a result Vodalone received a cash payment of S3 X billion and ihi remain.le: nl liie dislinhtm, In July 701 I, the Hoard of Represeillatives nI Venion Wueless declared a disiuhmum io it: quartei of 2012:n piopoumn in then partnership interests; antin-payment dale- in the agg re~ub. Vodafone received a ca*ti iriym--m of 5 biUmti and the rem;.-tickr.:l(inc dutribu-iou .easiri); Ariaricciurutv We are the lessen in Leveraged and diise- iiti.'.iw inc. ie.es- http://ie.es-">.-et-.;;ii.:nts {:e: f.e-iv.r.v i. - ...I -niet-n an.; jmwer geeeiJ if.g l.-.e.lnn.s >ehn. othe t equipment 'these leases have remaining trims of up to '7 yeais as of IXecomber '1 201 * In addition ne le.ise sjace o certain < o'. on: cell lowers to ollici w uelrss caner, '.tiniriuiii lea'.e, jtaymerilt receiv able represent inpair! i.T.ials les< pnneipal an :n n i est cii thud-j'aity ne'ince oeiss' debt u Litir.g lo ie veito'ed lease ian s.n tmrls Sun e we have no general liatnhry for tins deli Ai each reporting period we niomtoi ibe eicdii quality e'l the various lesseei in oui poitlolnis Pegai.imt: the f.-srraged leai portfolio, c.xl final credit reports are ujed where available and where nol available we use Inicinjlly developed imin ator.. Thes indif.iioi'- or ir.tem/l c redu n-.k grades- factor insi.uir less expenenLC the i aim oi the cnite'rlyi:!!; .-nil.4iei.il http://-nil.4iei.il c!eli;i-)ue:n v trend.i and niditstrv anJ general, -iorionic coildiums lhe credit quality of our lessees i lines fioin to CO" foi each leportini pet. vl ih, I, v, rat'l leases willin the portlolio an- rev ie w.d. ', r indicaluis ot iinpai-iren', w.iecc ii is [inibabl. the lenl dui mutdia and Other assest H oripacid of lic blokwing A December 31. xcraged Leases consolidated bal Allowance foi douhilul accounts 1 inaiu c lease receivables net Prep a ul expenses and ollici Other assets Direct Leases 1.049 S 16 \$ 1.085 S 1,253 \$ 5H S 1.31 I 5 785 (4) <i0) (f-64) 1.455 2"427 ed taxes arising fioni lovolaged leases winch are included in Dofci ai IVcomber 1, 201 - and S1 2 billion at December 1, 2012 Ainoiii7jtion of capital leases is included in Depreciation and amortization expense in the c Capital lease amounts uu hided in Plant, property and equipment are as follows Less accumulated amortization Total 2014 2015 21) If. 2017 20IX Thcreallci Present value of minimum lease pas ments Lung-trim obligation at Dccrmber 31. 2013 lidated statements of irricoinc--(dollais m millions) 2013 2012

(dollars; Opera

File #: O2015-758, Version: 1 2014 2015 2016 2017 201K n ancciable capital leases (dieci financing and levolaged leases) net md. ill.ni.uu ">http://ill.ni.u Changes to deht dunng 21) 13 Balance at January 1.2013 within one ye.it http://ye.it is as Inllows Debt Maturing within One Year (3,943) (142) 3,121 Wc lease certain facilities and equipment for use in our operations under both capital and operating leases Total rent expense under operating leases amounted to S2 ft billion in 2013 and J2 5 billion in 2012 and 2011. respectively. Long-term debt matunng within one year Commercial paper and other Total debt ma luring within one j ear (dollars in millions) 2013 2012 The weighted-ax erage interest rate for our commercial paper outstanding was 0.2% and 0.4% at December 31, 201.3 and 2012, respectively During October 2013, we entered into a \$2 0 billion \$0^4-day revolving credit agreement with a group of major financial institutions Although effective as of October 2013, we could not daw on this res olving circlis agreement puru to the completion of the Wireless Transaction We may use borrowings under the \$004-day credit agreement of purposes. The \$004-day revolving credit agreement purposes of 3 Mi I 00 until o'il credit ratines reach a certain icvel (dollars 2li 13 Maturities 21)14 - 2(142 2IU5 - 21)41 IIII, -21)43 2018 -- 2«3**x**» 2D14 - 2(11« 21H 2 31.9(i 5 5.023 5.500 3.931 1,300 1,075 1 ,«9V 880

Capital lease obligations/svetage rate uJ h)/1

=*3.144.3.486

5 13 -6 «6 7.38 -7 XS 8 00 - 8 75

2 Null am 202, respectively) I hamoni ed dia mini, nel of premium Total long-leni, di hi including cum ni inati in Less long-lenn debt ni 1.1 Hiring, willism or., yex. Total ling-lordi debt ni 1 air.

11 air.

3 linn | mill |

The Dump September 2013. In connection with the Wireless Transaction, we issued \$400 billion aggregate principal amount of fixed and floating rate notes resulting in cash proceeds of approximately 148.7 billion, net of discounts and issuance costs. The issuances consisted of the tallowing \$2.25 billion aggregate principal amount of floating rate Notes due 201 8 that bear interest at a rate equal in three-month LBOR plas 1,75% within that will be reset quarterly, \$4.25 billion aggregate principal amount of 2,50% Notes due 2018, \$4.75 billion aggregate principal amount of 2,50% Notes due 2018, \$4.75 billion aggregate principal amount of 2,50% Notes due 2018, \$4.75 billion aggregate principal amount of 5.5% Notes due 2018, \$4.75 billion aggregate principal amount of 5.5% Notes due 2018, \$4.75 billion aggregate principal amount of 5.5% Notes due 2018, \$4.75 billion aggregate principal amount of 5.5% Notes due 2018, \$4.75 billion aggregate principal amount of 5.75% Notes due 2018, \$4.75 billion aggregate principal amount of 5.75% Notes due 2018, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019, \$4.75 billion aggregate principal amount of 5.75% Notes due 2019,

Iliáe t.III 2 billion

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neless-note s pas able and offici **s**irelest.-Affiel assumed notes subsulianes -slche OMier sub<idi:i

*12 Lik-na_in' 2094 The

**To this we issued 11 75 hillon aggregate principal amount of 2 3 7% Noies due , principal amount of 3 25% Noies due 2/201 and 20 K< billion a-y-re-falc principal amount of a 7-4 Of these Noies is-utcd in cash pioceeds of approximately 55 i billion net of diseounts and issuance (said iil part to finance iii. Wireless I railsac Hon Any in 1 pio ceds ri. .1 use .1 io fi nam. the Wil. les gi.nci. il coiporare purposes Mm- during febniary 2014 we ;ssu. el >il x bi.l.iii ag£i. gate pi ine ipal dire 2054 resulting in cash proceeds ri.j proximately SO 5 billion, net of ducconis and nxunrec co for gi noral e or|nirate* purposes

i intelest pavable quarterly v. rare eqn.il to three month inth LIMOR plus I 3 72'--.
r financial in.fi:ui:;n. pursuant to which wc

costs Hallo: any lo.it:- http://lo.it.. undei Hie n-iiu loan years (ilie *-ie:o Loans) lhe 5-Yeai Loans are uiif tai:ii:ng Loans undei the n im -nar

ii negiitiee covenant, including ,i negative . oe c nanl. alTilitaliM env ellalls and (v e '11.

During | chrtil | 4thp:/ichtril>> 2d f.5 in connection with the Wireless 1 r. lisaciou we issue | » billion aggie_r, lisaciou we issue LIBOR plus I 22 2%, anil the eleven-year Ven/on notes beai inleresl at a i'lualmg rare equal 10 liner-

T.'rr.Lv,,; .U;,

During Tcinher 2013, we entered into a tenn loan a: licemein with a gn-ep of mu drew Sc i. billion to mi a in in par, lire Wireless Tairisae'ion and le, pay irahascii, agreechent have a maturity id linco years and the other halfhave a maturity of try provide but the partial amortization of principal during illusts two years that the agreement r.t best interest at livating raises. The tenn loan rigreemini eoritains out. pledge coeen...n1. a morcoi m sinitii: ti.ins.is.InMi http://liss.is.in.Mi covenant and an accounting ehar,i ot default that are customary tor iomo.mics inalinatiing an inv estiment *r, ule cici requires us io maintain a leverage ratio (is defined in the term loan a::tefn

Dining March 21)13 we issued S* * billion ...gieq.ite pr: resillmig in sash proceeds of approximately Si) 5 billion

Dnriii* Aonl :C\?. SI Zul 3 50 < billion ol ■: 3

r, ig Spicrobi 2011. we entered mio a in 11) billinn brni re c sin agiectm ul provided us with the ability to borrow up to 3d 1 aie. I linsactu-i cost, following fine life spice of Mili

On Nic. -mber 2 .Hi I 2 we announced the cotrirtiem emen: ot a lender relier (the 1 en.lei (ijfeii i-> puiehass- lot cash any .ind .ill ::;

tin outstanding SI 25 biilnu, aggregate pnncipai am...un: .ifS 15% Wu/on t ominuniiaii...is Nin..*i. 2ti -- I:t lhe feiniti (tile:

tha: was completed Moe ember '> 2012. SU ') billion aggregate principal amount of ihc runes was purchased rt a price of ITI, ot

the principal amuun: oi the noises (s, c Karly Debt Redemption ami f),dier C.isS j imi <0 ~.s billic: pnnciji.il an

During Novcribet 2012, we issued \$4 5 hillion aggregate principal amount of-dised rate notes resulting in cast) proceeds n¹. approximately 5:1 4.7 billion not 7. H5% Notes due 2015 8.0 5 billion of 17. S175 billion of 2.45% Notes due 2012 and 51.25 billion of 2.45% Notes due 2012 and 51.25 billion of 2.45% Notes due 2015 8.0 5 billion nf 1 10% Notes due 2015 8.0 5 billi

Verizon Wireless Capital 1.1.C. a wholly-owned subsidiary of Vorsion Wireless, is a limited liability company formed under the taws of Delaware on no material assets, operations or revenues Verizon Wireless is jointly and sor erally liable with Verizon Wireless (_apital LLC foi oc-issued notes

of 7 375V. Venzon Wueless Noies and MI 2 billion of b 50% Verizon Wildest Notes m Wueless redeemed S3 5 billion of 5 55% Noies, due 1'ebnury 1, 20)4 at a redemption priee of 10) % ofthe principal amount of the noies Any act rued and unpaid interest was paid to lhe date of ledeinption

During Kehniary 2012 SU X biiJn.ru http://biiJn.ru of 5 25% Vciizon Wireless Nore* matured and were icpated D-jnug July 2012. SO i< billion of 7 0% Venzon Wireless Notes matured and were repaid

Dunng May 2013 SO 1 billion of 7 0% Ven70ii New Yolle Inc Debentures matured and weic repaid Dunng June 2013. JO 1 billion of 7 0% Verizon New York Inc Debentures matured During May 2013 SO 1 billion of 7 0% Verizion New York Inc Debentures matured and we're repaid During June 2013, 20 1 billion of 7 0% Verizion New York Inc Debentures matured and we're repaid During Allow 2013 SO 2 billion of 10 No. Verizion New York Inc Debentures matured and we're repaid India of the Set Debentures So 2 a referentifying to a lare referentifying to 4 per processing amount of the debentures During Ociobic 2013 SO 3 billion of 1 75V. Verizion New Lovi Inc Debentures, the Newtoniest 2023 at a redemption pure of 100% office principal amount of the debentures During fixe ember 2 III J. we redeemed SO 3 billion of 7 0% Verizion New York Inc Debentures, also the Newtoniest 2023 at a redemption pure of 100% office principal amount of the debentures During fixe ember 2 III J. we redeemed SO 2 billion of 7 0% Verizion New York Inc Debentures due December 2013 at a redemption pine of 100% office principal amount of the debentures and SO million of 7 0% Verizion Delaware LLC Debentures, due December 2023 at a redemption pine of 100% office principal amount of the debentures and so intelest was paid to the datr of icdempiloti

During January 2012 SI 0 billion of 5.875% Verizon New Jersey Inc Debentures matured and wete repaid During December 2012, we redeemed the SI 0 billion of 4 825% Verizon riginia LLC Debcnlures Sene» A. due March 2×l3 at a redemption pnee of 101 1% of the principal amount of the debentures Any accrued and unpaid interest was paid to the date

Early IW-bt Krdcmplian anil Other Casts

Dun tia November 2012, we recorded debi redemation costs of SO ft billton in connection with the purchase of SO 9 billion of the S I 25 billion of 8 95% Ven/on Comm

Dunna December 2012, vie recorded debt redemption costs of SO 3 billion in connection with the early redemption of SO 7 billion of ihe S2 0 billion of 8,75% Venzon Communications Notes the 2018 St. Distinct of 4 625% Verizon Virginia LLC Debentures, Series A, due March 2013 and SO 75 billion of 4 435% Venizon Co February 2013. a> well as SO 3 billion of offer costs

Wc quarantee the debentures and first mortgage bonds of our operating telephone company subsidiancs As of December 31, 2013, S3 | billion principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of these obligations are subsidianced by the principal amount of in outstanding Each guarantee will remain in place for the life ofthe obligation unless terminated pursuant to its terms, including the operating telephone company no longer ja wholly-owned subsidiary of Venzon

We also guarantee the debt obligations of GTE Corporation that were issued and outstanding prior to July 1, 2003 As of December 31,2013, SL7 billion principal amount of these obligations remain outstanding

File #: O2015-758, Version: 1
2014 2015
2.7-1(1 TO.H IX
Fair Value of Start-icrin and Lang4 The lair value of out debi is determit is a Levis' I measurement as well; disecutied at torrent lites which are leases was as fellows
let hods un lu ling quoted pm es l'm nic i ntis lite tan value of oui shi li-lotni: ami
and m.illumiles which wild inline c.i-h (lows ich eve budnie i. ipit.il http://ipit.ib
200/. He tea II.
r Value Measurements and Kmaurial Indi unients Al Decombe 3 I
Short- ami loiig-ieim delit excluding capital loses Me I iv alive Ini uni.Dts">http://inii> uni.Dts
flic* following table [J. 2013
We have entered into domestic interest rate swaps to a fixed rates ard pay vanable rates based un 1.IHOK i designate e. as (ii) is slue hedges and hedge agunsi d-a at lair value on nor consolidated ha lam e sheets as assoc
es in tie fat: value of and liabilities
and variable raie debi We principalis receive lee tease to inn rest i xipe rise T lusc sw aps an-b; portfolio We record the m'criei rate swaps
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Tu Othei ass. IS
hirwani interest rate s "Vivrd income secuntii
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-filled /V- a result of liic n (rite, net operatinj- ai
Duilij 2012, Interiest rate- swaps with a notional value of SS 5 hillion we proceeds of SU 7 billion, including accrued interest which is included statement of cash flows The fan value basis administerin to fin underlyim-debt illuflumincts w.m. recognized into curings as j reduction of indress experse over the remaining lives of the underlying debt oringations. Untiling the second quarter of 2011 indees, ritit so with a notional value of M 25 billion matured amit fin impact to out consolidated finam tall six, months was not maternal flumng the thurd quarter of 2011 we entered mit, illicitat r.l.e swaps with i in i.i., 1 e.s. m.il. value x. SI > billion All cocentric 31, 2013 and 2012 live fan value of lifes, including the swaps was not maternal flumng the fluid quarter of 2011 we entered mit, illicitat r.l.e swaps with in initiation of the swaps was not maternal flumng the fluid quarter of 2011 we entered mit, illicitat r.l.e swaps with in initiation of the swaps was not maternal flumng the fluid quarter of 2011 with a constitution of the swaps was not maternal flumng the fluid quarter of 2011 with a constitution of the swaps was not maternal flumng the fluid quarter of 2011 with a constitution of the swaps was not maternal flumng the fluid quarter of 2011 with a constitution of the swaps was not maternal flumng the fluid quarter of 2011 with a constitution of the swaps was not maternal flumng the swaps was not
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Liabilifies
(Hiere fastiliti r. future interest rate changes, Juring the lourth qua
• ■ 52 > Million Vi de-Migji.re I Bresse elini ; r. a- mini U 2013
quoted precs in active market. I vu inclinical assets hi fabilities ohsert able input, olier than nooted prices in active markets for identic. II -http://identic.ti> assets and fabilities no oliens able pjulijic inputs in the market
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dennets a cotified" are also major fluanded ineffutions. With whom we have negotiated derivatives agreement (SDA master agreement) and credit support inn as agreements which plov lide rules for colisional exchange. We generally apply coil attributions with our counterparties for undersend derivatives to militague credit militag
As of Described 3 1, 2011, unrecognized companisation supersis in laud to the unresisted pot for in Verzon a RSUs and PSUs was approximately \$1) 4 billion and is expected to he recognised ovel applicationality two years The RSUs granted in 2013 and 2012 here weighted-evenings glatti-date latir values of \$47 69° third 50° for \$20° third 50° third 50° for \$20° third 50° third 50° for \$20° third 50° third
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The Plan provides for grants of Restocked Stock Units (RSMM had generally vest at the end offine thod yest after the grain The RSUs Classified as equity asserts because the RSUs will be plot in Verson common stock upon weeting The RSU acusty asserts
using the gream duste fain value of Venion common slook and are not re-measured at the end ot each reporting period Div Idend copilv a units also also paid to participants at the time the PRIU ented is paid, and in the earne populition as that SU award
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The Plan also plov idea for grants of Performance Slock Units (PSUs) that gelietall vest al the end of the thud year abet the glant As del by the Main. Bio Humann Roscudect Committee of the Hoard of Director- determine the nutrihet of 1581's u participant came based on
extent to which he commencedne politomener coals heir been achieved over lic bros-vosi performance code. The PSUs are classified

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File #: O2015-758, Version: 1 Outstanding January 1.2011 Granted 20 923 0.667 (7 nfIDI 19.835 6,350 (7,369) .12.380 10.34\$ (12 117) (2,977) 23,724 set the change in (he value office Partennish), as defined in the Wireless Plan Similar to slock options, the valuation is determined using a Black-Scholar model Once VARs become versical, employees can cacines the change of the partennish and the plant is the set of the Partennish as do lined in Brew Wiseless Plan at the date of the grant used in the nuclear bins of the Comment of the Partennish as do lined in Brew Wiseless Plan at the date of the grant used in the nuclear bins of the Scholars I Lipporte.d term lin years) t/pmied <file://i:/pmied> voiatility. _ letum felirh.'s ae IM II J):e to.'ionil;:g table lorrur-.n lis (chares in the :.201 i il.acd 1(1 III 1110 I J ha) 1.1 eo 1 ° HI N nt (l."io) ing lights December 3 1 2011 Coordeed . Tyn. cJicd.Tolf. Iti-d lihitsLinding nghts December j I 2012 liermeed 58.344 (7.104) 121,9211 :1xi>) (7.4*7) 87.0.v-k Js | K 12 281) (n:j (charen in thousands) Outstanding, Jenuary 1,201 | Korroleed 34 fly H KG 34 4-* 94.91 Cancellod/Forfoliod Oiltelending, Del ember 31,201 | Liveleted Cancellod/Forfoliod Oiltelending, Decembel 31,2012 F.ancleed nd 201 i veer e slocie optio Cilnosled*Turtified Outstanding, il <a href="http://ib-.ee http://ee-mtiol 1.2013 Mainline e-ul D.cembel total intrinsic value for licek option* outstanding as of Dec ve-as no stock option expense for 2013 2012 and 2011 ownhei 11, 20 M is n;ri-eignificent. The-iolei intrinsio value offsicek ine exercised was tun significant in 2013 and the asso. lated tax benefits were not significent in 2011 7UI2 and 20M IThe mt of cash received from the exercise of slock upflur,a was 601 billion in 2013, 603 bil

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The accumulated benefit obligation foi all defined benefit pension plans was $22.9 billion and $26.5 billion at Deceiliiw.il <a href="http://Deceiliw.il-1">http://Deceiliw.il-1</a>.
  -.2013 and 2012. respectively --.-
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 Other pre-bax changes in plan assois and benefit obligations tecognized in other comprehensive (income) Im 
At D.Cosilic 3 I. 
Amounts recognized on the halance sheet 
Solicurrent assets Current liabilities Noticulated liabilities Total
      Amounts recognized id Accumulated Other Comprrhensis c Income (Pre-tai)
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Reg inning in 2013, as a res.ilt of federal health care reform. Venjinn t contiacts with a Medicare Part U plan on a group hasistiv piovide pee <a href="Ren">Ren (21421)</a>
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I 339 \$ 236 S (12')) (710) \$ (2,120) S (2.247) \$ (Z.120) \$ (2.2471 Prior serv tec cosi Reversal ol amortization items \$ (ISS) j 1K4 S 121 S (1.737) 5.00% 3.(10 4.20% 3 00 5 00 V. N/A 4.20% N/A The fair values for the pension plans by asset category all December 31, 2013 arc as follows All December 31.

Discount Rale 4.20% 5 00% 5 75% 4.20% 5 00% 5 75% 7.50 7 50 8 00 5.60 7 00 6 00 3 00 100 3 00 N/A N/A N/A 6 50% 7 (Kj'y, + /5 5 00 2020 2016 Cash and cash equivalents Fquily securities Fixed income secunlies rids US 'Iro-jMino-s and agent Corporate bonds Iriic'itiiiioiial b Rea! estate Othei Pin aie equity Hedge funds "Lola I The lair values fo, millions) Level 3 (dollars i Total Level 1 Level 2 968 4,200 1,<*42 1.19(> 2.579 Total Level I Level 2 Lfvfl.I nne-Poicciitage Point Effeet on 201 3 sen ice and interest cost

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    Balance ai December i 1, 201 2 Actual gain on plan assets Pure bases and sales Transfers in (out) Balance JI ISVeenihci .11,101.1
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US Treasuries and agencies
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Cash and cash equivalents Equity securities, Fixed income securities

US Treasuries and agencies

Corporate bonds

International bonds

Other Total

Real Estate

(4)
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be intensity as canaral deal intions of seeint of an value of each maini category of seents

Cash and cash equivalents include short-lenn investment kinds, primarily in diveisified portfolio mart cl instruments and aie valued using quoted market prices 01 ruber valuation methods and thu

Equity securities are investments in common Muck of dome site and international coqiorations in a vanely of industry sectors, and are valued primativ using quoted market prices or other valuation methods and ill us are classified within Level 1 or Level 2

ind residential real c ned by using incom n rales financial condition:

Fixed income securities include IFS Treasuries and agencies, debt obligations of foreign governments and domestic and foreign corporations fixed income also includes investments in critialeialized mortgage obligations mortgage hacked securities and intelest talc swaps Inc fair value of fixed income securities is based on observable puces for identical or comparable assets adjusted using benchmark curves sector grouping, matrix preing biokerideator quotes and issuer spreads and thus is classified within Level 1 or Level 2

projec

Real estate investments include those in limited partnerships that it vos in vanous commei both domestically and internationally The Ian values of real estate associs aie typically do approaches or a comparable sales approach, taking mio consideration discount and capuali, market conditions and the status ofthe Capital markets and thus aie classified within Leve

Proxic emmy inv cathronts include froce in immedigarthermylap Rat investi no quantitative and a mental public social features in private equity include lev eigaged buy outs, ventuic capital, distressed investments and investments and investments in natural resources. These investments are valued using inputs such as studieg multiples of complately public socialities, merges and accusation in little and or devote date from the market or public public and control date from the market or public public socialities, merges and accusation in little public social from the control control public public social from the control public public social from the control public public social from the control public soci

Hedge time in vest morths inc like those seeking on anxionistic solicity. Because the control of the investments and provide additional diversification. The tan values of hedge funds or estimated using net asset value pc: share (NIV) of the investments and NV within the neal term and provide additional diversification. The tan values of hedge funds or estimated using net asset value pc: share (NIV) of the investments of the neal term and provide additional diversification. The tan values of hedge funds or estimated using net asset value pc: share (NIV) of the investments of the neal term and provide additional diversification.

Cash Flows

In 2013, contributions to out qualified pension plans were not material Also in 2013 we continuided So I billion to our other costicitizment benefit plans We anticipate approximately 312 billion in contributions to uur qualified pension plans are in 2014 billion to our nonqualified pension plans and il 4 billion to our other costicitizment benefit plans in 2014

Estimated Future Benefit Payments

The benefit payments to retirees arc expected to be paid as follows

Savings Plan and Employee Slock Ownership Plans

With maintain four leveraged employee stock convership plans (ESOP) Only one plan currently has unallocated shares We match a certain percentage of eligible employee coninhuliont to the savings plans with shares of our common slock from this ESOP AI December 31, 2013, the number of unallocated and allocated shares in common slock in this ESOP was 163 thousand and 62 million, respectively AI leveraged ESOP shares are included in earnings per shale computations.

Total savings plan costs were \$1 0 billion in 2013 and \$0 7 billion in 2012 and 2011, respectively

Pension Annuitization

On October 17, 2012, we, along with our subsidiary Venzon Investment Management Corp. and Fiduciary Courselors Inc., as independent fiduciary of the Venzon Management Pension Plan (the Plan), entered into a definitive purchase agreement with The Prudential Insurance Company of Amenica (Prudential) and Prudential Insurance Company of A

On December 10, 2012. upon issuance of the group annually contract by Prudential Prudential invocably assumed the obligation to make future annually payments to approximately 4 1 000 Venzon management retirees who hegan receiving pension payments from the Plan prior to January 1, 2010 The amount of each retiree's annually payment equals the amount of such individual's pension benefit in a li in the group annually contract is intended to replicate the same lights to future payments, such as size with benefits that are currently officed by in Plan

The components of income before (provision) benefit for income taxes are as follows:

Yean Ended December 3

Foreign

(dollar* in millions)

\$28.833 \$9.31b \$9.724 \$444 \$581

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(dollats, m millions)

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- we recorded not pre-tax severance pension and benefits credits oij approximately 5o 2 billion primarily im oui pension and publicitiement plans in an o cisarty indi, on accumiting policy (oie. njml'e luarial gabrit and $\frac{1}{2}$ -is-pension and benefits credits even [iuvanial), driven by an increase in oui disce-um lata assumption of elementary of elementary of the presentation of t

Dumg 20.12 w, Ecided HH pre-k/s stroimme, pentatr-s and K.i.F., charges oi apprivini. K N S7 ? Billium prainanty for our persoin and postetilement plans in accidators will, oui accounting policy to recogning adult a. name and losses in the year in whind lifev occur the chizy es-4thp/lify-es- web pillium/ Jancet by a decrease in our disceilual it assumption us-4 is decidanted the cuitemene earliabilities from a weighted, mention of all the life of the chizy established in the chizy establishe

The lolloieing table shows the principal reasons fin the diffei

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Employee benefits including I.SOP div idend

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e ai lKecintiei -1 201 l fl> b billion) rl., s ol 5*.'. (SO u billion) and ic* ision. lo the I Me I< n i tie tie ei u our . stimaled e ex

The clictift c income lax late loi 2012 was (*) 7)% compared to 2.7% for 201.1 Tin. negative effective income lat late for 20)2 and the declease in the provision Ln income taxes during 2012 compared to 201.1 was primarily due IO Ic.uci income before income taxes as a result of higher severance pension and benefit charges as well as eaily debt redemption costs iceoided dunng 2012

(dollars in millions)

Years Ended December 3),

Income taxes, nei of amounts refunded Employment taxes Property and othei taxes Total

(dollars in millions) 2013 2012

Defended taxes anse because of different es in ihe bonk and lax ba deletTed tax assets and liabilities are as follows M December .11.

14.030 1.1.951 21.0.12 22 171

40.650 39.927 \$ 28,085

Konner MCI intercompany accounts Depreciation 1.casing activity

Wireless joint venture, including wit Other - liabilities Defcned tax liabilities Net defcned tax liability

Al December 31, 2013 undistributed earnings of our foreign subsidiaries indefinitely invested outside the US amounted to approx implictly 52 I billion The majority of Verizon's cash How is generated Iruin domestic operations and wc arc not dependent on foreign cash or earnings in meet our funding requirements, nor do wc intend to repainable these undistributed foreign earnings to fund U S opera11oni Furthermore, a portion of these undistributed earnings represent amounts that legally must be kept in reserve in accordance with certain foreign jurisdictional requirements and are unavailable for distribution or repatitation As a result, we have not provided US defored taxes on these undistributed earnings because we intend that they will remain indefinitely reinvested outside of the US and therefore unavailable for use in funding US operations Determination ofthe amount of unrecognized defoned taxes related to these undistributed earnings is nol practicable

U Decembei 31, 2013, we had not after-tax loss and credit carry forwauls for income lax purposes of approximately \$2.7 hillion Of these nei after-tax loss and credit carry forwards, approximately \$2.1 hillion will expire between 2014 and 2033 and approximately \$0.6 hillion may be earned forward indefinitely. The amount of net after-tax loss and credit carry forwards reflected as a deferred tax asset above has been reduced by approximately SO I billion at December 31, 2012 due to federal and stale tax law limitations on utilization of net operating losses

Dunng 2013, the valuation allowance decreased approximately S0.4 billion The balance of the valuation allowance at December 31.2013 and the 2013 activ rty is pnmanly related to state and foreign tax losses and credit carry forwards

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(801) (210) (168)

ns based on las positions related In lhe current yrar Additions for lax positions nfpnor years Reductions for lax positions of prior years Seilleinents

Lapses of statutes of limitations Balance at December 3 I.

Included in lire total unrecognized tax benefits at De-cembci 31 201 1 2012 and 2011 is SI 4 billion S2 1 billion s2 1 billion res. pectively.that http://res.pectively.that if reccigiu/cii, would lavoitsbly at Vitet the effective income Ux rain

Yeats Ended IX-cemhci 71 (dollars in rmllious

File #: O2015-758, Version: 1 The afiet-tax accruals for Ilie payment of inieieM and penalties in lhe consolidated balance sheets are as follows Al IX-cember.ll (dollar, in millions) din. to tlie idulioii ol t. 'v eisies in Canada and Italy lvmg tax ycais2004 through 2006, as well as the ici Verizon and/or its subsidiaries file income tax returns m the L'S fodeial junsdictinn and vanous state, local and foreign jurisdictions As a large taxpayer, we are under audit by the IRS and multiple state and foreign jurisdictions fur vanous open lax years The IRS is currently examining the Company's U S income tax returns tor tax years 2007-2009 and Celko Partnerships J U S income lax returns tor tax years 2010-2009 and Celko Partnerships J U S income lax returns tor tax years 2010-2011 Significant lav examinations jnd litigation are ongoing in New Yolic City feu tax years as early as 2001 The amount of the liability for unrecognized tax honeils' will change in the next twelve months due to the expiration of the statute of limitations in vanous junsdictions and it is reasonably possible that various current lax examinations will conclude or require revaluations of inc Company's tax positions dunng this penod An estimate of the range ofthe possible change cannot be made until these tax mallers ore further developed or resolved The following table provides operating financial information for our two reportable segments Segment Infarmatian We have two reportable segments, which we operate and manage as strategic business utms and organize by products and scrv ie consistent with the chief operating Wc measure and evaluate our reportable segments based on segment operating decision maker's assessment of segment pelilirmancc -operational u .essini: segment peri: Corporate eliminations and other includes unallocated unporaie expenses intersegment eliminations recorded in consolidation the results ofoiher businesses, such as our investments in unconsolidated businesses, pension and oihct employee benefit related costs lease financing as well as utho: adjus'iuents and gains and losses that ate not allocati d in assessing segment peifo:mani c due to i he 11 non opeiational natum Milmugh sue I: transactions ai. excluded finm the business se gnicnt u stilts, lihe v are included in reported consolidated earnings Gains and losses thru are not indu idnalK -ip?.if!ca-ii are included m all segment results as these items are mcliiiicd in the chid'operaling dec t n ii-'iki: s assessnu nt of si gn,.:i: pi i:->:iii:iiirr segment inicitialnin wiistc applieal ist of the followmi: The reconciliation i mi hides those items management dues n We hive adjusted prior period t onsolidate Oui segments and then pnncipai activines, Drst upturn Wireless' commiunchimns prodint which are provided to coosquier, bu unhide hinadba i.utage.l iteiwo-k seixn serines tn. (ude win less vi iss ihe United Stales Wire-line's voice data and video eoiimunivations pruduels and eulii daia eorpomte unwinking solutions data eentei aii, 'eload-ev.ce-. local anc! long distance-uur; sciviccs Wc plovide ihc-c pinducts and service in consumers us the 1'nied as wril as to earners businesses .md government cusiomeis both in lihe United States and in over I MI. vihei counincs aiound the world External Operating Revenues Olher service Service revenue liquipment Small business Mass M.ukeis Strategic servnr: Core i.tlohal linieipiise Oltib.il http://Oltib.il Wholesale Olher liiicrscgnieni revenues T'ulal ope tating reve

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            (dollars in millions) Wireline Total Segments
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In teree g men i revenues Total operating
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lhe amounts presented aboso in net Other ecurpn literat e e income .no not of lesse ...nd rit>n signific ethbel • 1. 21)13 all othel e the table above .lle unbuded ut •>fhei income net oil oul consolidated elatements ni income

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additional Fiiianrial Inform a [ion

11)e tables thai follow pros idc additional financial u

Inmifie Staltmenl Information

Vears Ended December 3.1

Depreciation expense Interest costson ikbt balance-Capitalized interest costs Adverting expense

Balance Stret Information

Accounts Parable and Acc wed Liabilities ■Vcounis payable Vciu/d expenses

Advance billings and customci deposits Dm iriends payable

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During 2003, undei a goveinmenl-approved plan, remediation' commenced at tile site of a feuinci Sykaiua facility in Iliekwille, - New York that piocesses i nuclear fuel rods in "life" "1950s arid "1960s Remediation beyond original expectations proved to be necessary and a reassessment of the anticipated remediation costs was conducted A reassessment of costs related to remediation efforts at sex eral other former facilities was also undertaken In Sepiembei 200 5. the Army Corps of Engineers (ACL) accepted lhe Hicksville site into Ilic Formerly Utilized. Sites Remedial Action Program This may result in Ilhe ACE performing some vii all of lhe remediation effort for the Micksville site with a corresponding decrease in costs to Verizon To the extent that the ACE assumes responsibility for remedial work all hel licksville site, an adjustment In a n.seixr previously established to the remediation may be made Adjustments to the reserve may also be made based upon actual conditions discos cred during the remediation at rlus or any nifrer site requiring remediation

Venzon is tunentty involved in approximately 50 Inderal disincl court actions alleging that Venzon is infringing vinous patents Most of Iluse cases aic hinjghi by non-piaclicing entities and elle'clinely seek only monetary damages, a small number jic brotiglii by companies ilia', iei] ptodirels and Seek injunctive relief as well Ilicse cases have progressed to vanous degrees and a small number may go to trial in the coming 12 months if they are not otherwise resulve d In the thad quarter of 2tl 12, we settled a number of patent litigation matte is. including cases with Ai live Video Netwniks Inc (Activ c Videu) and TiVo Inc (TiVu) In connection with the settlements with Active Video and TiVo we recorded achatgcofS0 4 billion in the thud quanci of 2012 and will pay and TCCOgni7C ov ci the lulluwing six years an additional 50 2 billion

In connection with line execution of agiecuicriis (in the sales of businesses and iris estiniciis Ven/on uidmanly piuvide's repre-seniatious and warranties lo the purchaseis pertaining to a vancty of non financial matters such as ownership of the securities being sold, as well as indemnity from certain financial losses From nmc lo time, rouni, ipanies may make claims under these pm visions, and Verizon will seek to defend areamsl ihose claims and resolve theni in the ordinary course of busin

Subsequeiil lo ihe sale nl Ven/on Inhuman on Services Canada in 2004, we continue to pin vide a guarantee in publish directiones, which was issued when the directory business was purchased in 2001 and had a 30-year term (before extensions) Che preexisting guarantee continues without modification, despite the subsequent sale of Veimin In Ior mat ion Scix'te: if Canada and the spin-uffol out domesNi pnnl and Internet yellow pages directories business like possible financial impact of the guarantee which is not expi cted to be adveise.annul be reasonably est i mated as a vaire I v of the potential outcomes available under the guarantee rei emits oi beuellis lihit http://lihi.p-may offset each other We do not believe perform. mee under the guarantee is likely

nillions) 2011

Cash f-Tuw Information Years Ended December 31. Cash Paul

Interest, nel of amounts capitalized

Common stock has been used from lime to lime to satisfy some ofthe funding requirement- of employee and sharcowner plans including 24 6 million common shares issued from Treasury slock dunng 2012, related to dividend payment*, which had an aggregate value of \$1.0 billion

As of December 31, 2013 leitcis of credit loinling appioximately SO I billion which were business and support several finane ing arrangements and payment obligations In third panies, v

We have several commitments pummanly to purchase handsets and peripherals, equipment sot/ware, programming and network services, and marketing activities, which will be used ni sold in lire ordinary course of hucmess, from a vancity of suppliers, totaling \$33 4 billion of this total amount. \$197 to billion is attributable to 2015 through 2016 \$41 billion is attributable to 2017 through 2016 \$41 billion is attributable to 2017 through 2016 \$41 billion is attributable to 2017 through 2016 and SO 8 billion is attributable to vears (hereafter T bese amounts do not represent oui entire anticipated purchases in the future, but represent only those items thai are like subject of contractual obligations Out commitments are generally determined based on the noncancelable quantities in itemination amounts Purchases against out commitments for 2013 totaled approximately \$16 billion Since the commitments to purebate programming services liom television networks and broadcast stations have no minimum volume requirement, we estimated our obligation based on number of subscriber, al December 31, 2013, and applicable rales stipulated in the contracts in effect at thai nmc We also purchase products and services as needed with no firm commitment



Operating Revenue

(dollars in millions, except per share amounts) Nei Income (I oss) atinbiitahle lo Venzon '"

Pei Shine- Income 29.42U 5 2\>,78ti MU7A 31,01.* 6,555 7,128 12,063 v 4.855 5,118 5.578 7.9 It. Septrmbei 30 I>:cemhei31 29 **007** 30 **04**^ i 2x> 4 212 (I 9?6i 5 J.5 I 5 4S3 (3 li.^1 I 593 I t 229 2012 March 31 June 30 September 30 IVcembii31 (1 4V) : lo Wu.-, Results nf opeiatioiis loi lire s iis loi lire sec ond quarter oi 201 3 include aflei-tax credits .mill pension remeasurement elated to Wireless Ki suits of opeiations for the thud quijtui of 201? include immatciial affer-ia.x civilns attributable lo Vcii/mi i> iated on a spectrum license transact inn as well as immaterial affertax costs attributable to Vt.ii/oii related to the Transaction Results of operations for she fourth quartet of JU.i include alter-ra.x credits at Tiiiuitable to Ven/on of S3 7 luilion I severance, pension and benefit credits, a> well as afier-tav costs jiiiihunble io Vei-^on of 50 5 billion related to thr lor the thud t|L.iitei ol 2IM 2 include atler-rax charges articulable in Ven/on ot iu 2 Inllivii I i othei costs Results of oper. legal settle merits Results of operation for the iotinli quartet >: '.ID I 2 include a sevetaiicc', pensior, and benefit charg.es http://charg.es ant: early itebt redempt Venzon California Inc Venzon Delaware LLC Wnzori Honda LLC VcTI/Oll M.!J>land LLC Ven/on New Ve.;k Ine Wu/.ui Pennsylvania LLC GTE Souihwesi Incorporated (d/h.'a \ cri/oii Southwest) Verizon Virginia LLC Hell Mlamie Mebile 'jy.icm.-I http://jy.icm.-I t ellco Partneiship [d/b/a \cn/o.i Wireless) GTE Wueless Im nrpurated MCf Cnnv.i:ii:maiioii*Corpoi.> Ci.inlicfty Properties 1.1,1' Jurisdiction of Organization New Jer-cy Ness Yo;k IXI jv. asi-New York come (|oi«.) an n'.v.i table to V'cuion pet eoir.ttiun *liaie i> Cs-.njurt'.sl iiutep- -.nUtulv foi cicl:

We consent to the incorporation by reference in this Annual Ropon (Foim I O K) of Ven/on Connnunations- Im IVen/uu) of our reports dated February 27, 2(114, whith rcsp_{cc}) to the consolidated financial staicments of Venzon and the effectiveness, of internal control over financial reporting of \ enzon, included in the 2t) 3 Annual Report to Shateow-ners of Venzon

Our audits also included the financial statement schedule of I>n/on listed in Item 15(d) This sthedule i.s the responsibility of Venzon'x management Our responsibility is to express an opinion based on oui audit* In out opinion, as to which the date is Fehiuaty 27. 2014, the financial statciue-m schedule n. felled to above, when considered in lehition to the basic linancial statcmcnls taken as u whole presents fanly m all maiortal icspects the information set forth therein

We also consent to the incorporation by leference in the foi low-inn registrati on statements of Viii/.nn and win re applicable related Prospectuses, of uur iepulis dated February 27, 2014, with rejpetit to libc eOnsedulated financial statements of Verizun and the ef-crive/if.xs oj in tenia I i nntro) over Jinjicu) reporting of Vm*on. incorporated herein by reference, jnd our report included in the preceding pijafraph with respect to the financial .statement schedule of Yer./nn included in this Annual Report ffmnn 10-K) for libe year ended December 31. 2013 FonnS-I.No 33?-1 1 573. Form S-S No 333-H 5¹3. Form S-S No 339-H 5¹3. Form S-S

EXHI

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m/ Ernst A Young LLP limsi Ar Young LLP New York New York Fcbiuary 27.201 1
I. Lowell L Me Adam, certify that

- I base reviewed this annual report on Form 10-K of Vriuoii Cuirmiuiiii.il http://Cuirmiuiiii.il inn* Inc ,
- Hased on my knowledge, this report does not contain any udutic statement of a material fact of emit in state i material fact necessary. Io make the statements made, in light of the circumstance's under which luch statements were made not misleading with isspect to the pend covered by this report.
- Hased on my knowledge the financial statements, and oiller financial inhumation included in this report, fairly present in all material respects the financial condition, results of operations and cash flows ofthe registrant as ul, and for. the penods presented in this report,
- The registrant's othet certifying officer and 1 arc responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(c) and 15d-15(c)f and internal control over financial reporting (as dc hned in Lxchsnire Act Rules 1 sa-1 5(f) and 15d-15(f)) loi the
- (a) Designed such disclosure controls and juoccidures, oi caused such disclosure controls and procedures to be designed under out supervision, in ensure that material information relating in the registrant, including its consolidated subsidiaries, is made known to us by others within those entities particularly during the penod in winch this report is being propaied
 - lb) Designed such internal control ovci financial reporting, or caused such internal control oue; financial reporting to be designed under oui supervision, to provide rensmable assurance legalding the reliability of financial reporting and the preparation of financial statements for external purpuscs in accordance with generally accepted accounting principles
- (cl Evaluated the effectiveness to the registrant's disclosure controls and procedures and procedures and presented in this repim nut Conclusions about the effectiveness of the dise Insure c othrols and procedures as of incend of the pend covered by this repim based on such evaluation and procedures as of incend of the pend covered by this repim based on such evaluation and procedures as of incend of the pend covered by this repim based on such evaluation and procedures as of incend of the pend covered by this repim based on such evaluation and procedures as of incend of the pend covered by this repim based on such evaluation and procedures as of incend of the pend covered by this repim based on such evaluation and procedures are not pend to the pend covered by this repim based on such evaluation and procedures are not pend to the pend covered by this repim based on such evaluation and procedures are not pend to the pend covered by this repim based on such evaluation and procedures are not pend to the pend to th
- (d) Disclosed in this report an > change in filic registiant's indicinal contilol over financial reporting thai occulied during the registrant's most recent ti-cal quartet thai has niatelially affected, or is reasonably likely to m.itelially affect the registrant's internal control over financial reporting and
- The registrant's oillier certifying officer and I have disclosed, based on our most recent evaluation in internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions)

 - b) Any fraud, whether or not material, that involves management or other employees whu have a significant role in Ihc registrant's internal control ovei financial reporting

Date February 27, 2014

Lowell C McAdam Chairman and Chief Executive Olficer

EXHIBIT 31.2

I. Francis J Shammo, certify that

- I have reviewed this annual report or. Form IU-K of Verizon Communications Inc
- ed on my knowledge, this report docs nol contain any untrue statement of a matenal fact or omit to slate a matenal faci necessaly lo make the statements made, in light offhe circumstances undei which such statements were made, not misleading Willi respect to the penod covered by this report
- Based on my knowledge, the linancial state men is, and other financial mloiluairon included in this report, lauly present in all maic-nal respects the financial conilmon, results of opt mlions ami cash Hows of tin rrgi-ii am a., oi and for lhe penods presented in this report
- The registiant's other earily mc ot]s, am: 1..nc u sponsible for ,s:.lMi>limij: and maintaining cl'.hiomiic ce-ntn>is and procedures (js defined in Exchange Ad Rules 13j-15(el an.1 1 Id-lSte)) ami icieiii.il https://distrib.in/ste/licieiii.il- control ovei linancial reporting las tiffined in Fixhange Act Hulis 13.1-15(f)and I Sd-1 ili))to: lhe ic-isti.int ar.d have
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 - let Evaluated line effectiveness of ihr regist ran; is disclosure controls and procedures ami presented in tins icon; out conclusions about the et fee liven ess of the dist tosiirs conlio's and pro, eduies as of the end of tire pende eovicet by this report hasc-it or such evaluation, and
 - (d) Disclosed i.i ihis report any change in the teginuni s uneinal e-ontril ovei financial reporting that occurred duning the registrant's mo., t recent fiscal qijiiri ih it has maleilally alle-eted or is n.isr.mHv itkely to ru.iier.ally allh-et the
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EXHIBIT 32.1

CERTIFICATION OF CHTEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002. PURSUANT TO SECTION I 350 OF CHAPTER 63 OF TITLE IX OF THE UNITED STATES CODE

- (11 ihe repon of the Company on Fonn 10-K. for the annual penod ending December 31, 2013 (ihe Report) fully complies with the requirements of scciion 13(a) of ihc Securities Exchange Act of 1934 (the f-xchange Act) and
- (2) the information contained in the Report fairly presents in all maternal respects, the financial condition and results of operalitius ofthe (ompany as ofthe dates and I«r lhe penods referred to in lhe Report

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Lowel! C Mc Adam Chairman and Chi"-1 I'x'i c utiv e i lifirri

signed olignial ol this vviillel; statement required by Sec Hull "Hip, oi ulhei document authe tun altrig, ae kuiwlodgirs!" e-: I irrerwise ade-lting iho signature III.U apj.e.irs in ;y pen feMit: "I-fnn the fierir. mc c-rcl.oi tins w.nu-i: st.it <htp://st.it>; mein icqain'! bv Sceliun "jrid. has been jitovided to Verlion C.'ommunif.Hion:. lire and will he retained by Ven/on Coinmiinieaiuins In. and lutnished to the Secunlies and L.vchanj-c Commission e>; its stalTupon request

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EXHIBIT 99 Selected Corporate Governance and Executive Compensation Information Included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014 [This portion of the page intentionally left bit.] The Code of Conduct describes each employee's responsibility in conduct business with the highest ethical standards and provides quidance in prevention reporting and remediating potential compliance violations in key areas Directors are expected to act in compliance with the spirit of the Code of Conduct describes each employee's responsibility in conduct business with the highest ethical standards and provides quidance in prevention reporting and remediating potential compliance violations in key areas Directors are expected to act in compliance with the spirit of the Code of Conduct describes each employee's responsibility in conduct business with the highest ethical standards and provides quidance in prevention reporting and remediating potential compliance violations in key areas Directors are expected to act in compliance with the spirit of the Code of Conduct describes and exceptions are expected to act in compliance with the spirit of the Code of Conduct describes and exceptions are expected to act in compliance with the spirit of the Code of Conduct describes and exceptions are expected to act in compliance with the spirit of the Code of Conduct describes and exception are expected to act in compliance with the spirit of the Code of Conduct describes and exception are expected to act in compliance with the spirit of the Code of Conduct describes and exception are expected to act in compliance with the spirit of the Code of Conduct describes and exception are expected to act in compliance with the spirit of the Code of Conduct describes and exception are expected to act in conduct and exception are expected to act in code of Conduct describes and exception are exception.
EXHIBIT 99 Selected Corporate Governance and Executive Compensation Information Included in the Preliminary Proxy Statement for the Verizon 2014 Annual Meeting of Shareholders filed with the Securities and Exchange Commission on February 26, 2014 [This portion of the page intentionally left bit The Code of Conduct describes each employee's responsibility to conduct business with the highest ethical standards and provides guidance in preventing, reporting and remediating potential compliance volutions in key areas Directors are expected to acl in compliance with the spirit of the Code of Conservation of the Code of Commission Securities (Commission Security Commission Security C

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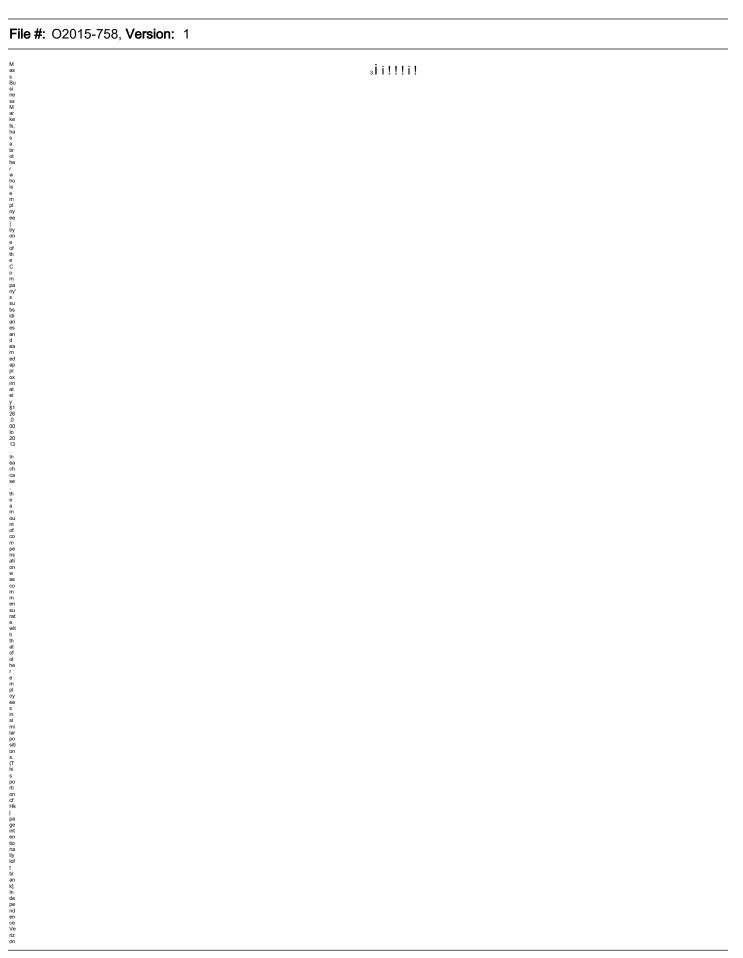
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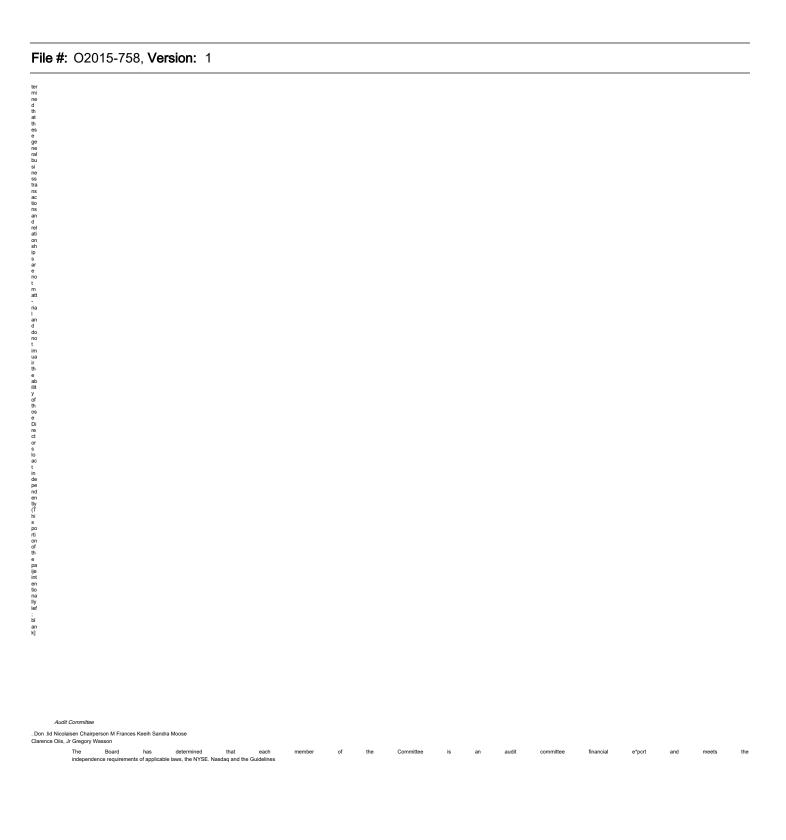
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RICHARD L_ CARRION

Mr. Camôn. 61. has served for over 18 years as Chairman. President and Chief Executive Officer of both Popular, inc. a diversified bank holding company, and Banco Popular fee Puerto Rico, Popular Inc's principal hank subsidiary Popular, Inc is the largest financial institution based in Puerto Rico, with consolidated assets of \$50 billion, total deposits of \$57 billion and 8 059 employees as of December 31. 2012 in addition to his expension, and addition to his expension, and the puerto Rico, worshipt of the bank's operation, in sk manufat.n'd-eni and the review and appointment of senior in tangement, of the bank's operation, in sk manufat.n'd-eni and the review and appointment of senior in tangement, of the bank's operation, in sk manufat.n'd-eni and the review and appointment of senior in tangement, of the bank's operation, and the puerto Rico, worship to the bank's operation, in sk manufat.n'd-eni and the review and appointment of senior in tangement, of the bank's operation.

As a result of: ns tenure as Chairman. President and Chir. If +> eeulivo Officer oi Popular. Inr and Banco Popular do Puerto R; u. Vfr Caniiv- brings in ihr- Boa'd a strong one'almnal and s'.r.itciiic background and extensive hus.ncss. liv.'\(\gamma\)r\(\text{hi'}\) and managment cxfHVIPnrc in addition Mr C ir-nn*-, kno-Aledtn- oi business a'd cor.rume' servi.es "http://servi.es>"gives him irrisig:\(\bar{\gamma}\); in'.op. 'ovnunn services to retail and business r:\(\bar{\gamma}\)*\(\sigma\) ".mr<.-in. ac'lvitie-". Ihar mah c up a sig.nifin.m; po-licn of Venzons h'jsir.ovs. Mr Camon s r.'xpenenre a: trie Federal Rescvv Bark o' New Yorl> ake enables him tn .mvr.f: ih>"boa'd and sonny management on r sk m.-\(\bar{\gamma}\) and sonny management on r sk m.-\(\bar{\gamma}\) as important a aca tor a large, complex o'gar.i/stKjn 1-ko

Mr Camon has serpen as a Director of Ven. He is On.i.rperson of the Finance Committi-i Human F-rsoumor. Committee on since 11>.J7 and was a director nl NYNr-X Corporation from 195-5 to 1307 and a member of the Corporate Governance and Policy Cumm.tii-o and the

Ms. Archambeau, 51. rs Chief Executive Officer of Me;m:3tn-ar'l. Inc, a load.no http://load.no, provider of: T.i.v*mani-p risk, compliance and quality management solutions to corporazions across diverse 'industrie-i Undr' h(-r leadetsh p. 'he privately-hold Metric St ream has grown 2.M07e over the past ten years, with appro' mainly 1 IKK? employees worldwide Pnor to joining MetncSiream in 2002 Ms Archambeau was Chief Market rig Officer and Executive Vic President of Sales (o' Louctcloud. Inc. a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and President of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) a leaner 'n Internel Infrastructure services. Chief Mark-fir o Of icer of Nofith-oint Conimumcations and president of Explosions (inc.) and internel Infrastructure services. Chief Mark-fir of Internet Infrastructure service

Ms Arehambeau brings to til. e Board, aironnj offer skills and qualifications Irvuffyrst.p expcre.nce .n technology, e-commerce. digital media and communications Ar- active participant m Silicon Valley & emerging ncnsar.y community her in depth knowledge of the technology sector and extens.ve background m the apnlication of er. ertiin: il lertivii-liogies to address business challenges uniquely position her to advise the Board and senior management on im:tlfme.n'.irig the Company's growth strategies Ms Archambeau's experience developing and mart-et.eg tell'mmrunica-mns anii InteTiet services and solutions gives her ms-yin into areas i.nl.cal to Ven/or-r- succept.

Ms Archambeau has served as a Director of VF,r?oe smcf: Decemner 20:.i In the past 'i the boarc of Aruilron, Inc

MELANIE L HEALEY

Ms Healey. 52 is Group President - Northi Arrenca and Gkihal Hyper-Mark Pt Super-Mark Pt Super-Mark

Ms Hf aley brings to the Boa'd. a-rienn o'.'-c sH.s and qualifications, an extensive background m censurmor gcn."; marveling and irr.ema'r.cal operations He- opt-once m marketing irv.l.idnig mnrt; filav- 15 years outside ihe '..mlen Stales un quel-' pusitions Ms Heal-w!c advise the Bn.ird and seman managi-ment or, crucal issues lacing Vendor. n'Cluc'ing conyl'l'.e st(i'eyy v.rtn respect to brand manigeme*1, the consumer experience and global growth 'ir, an;l!lo.n Mi l'.eak-y b leaderstip. I-j penence at a ciplo ini/m;'.!ion.nl <nttp://ion.nl <nttp://ion.n

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• M. FRANCES KEETH

Ms- Keeth. 67. was Executive Vice President of Royal Outch Shell pic an energy company. Irom 2005 to 2006 in this lole?. Ms Keeth was accountable for Shell's global chemicals businesses, which produced 536 3 billion in third party revenue in 2006 and operated in 35 countries From 2001 to 2006, she was also President and Chief Executive Officer of Shell Chemicals LP, Shell s U S operating company through which is conducted all of its operations in the United Stales During her 37-year career. Ms Keeth held multiple positions of increasing responsibility at Shell, including serving as Executive Vice President. Finance and Business Systems, and Executive Vice President. Customer Fulliment and Product Business bill valid by 199f, Ms Keeth was controller who are only producted and principal accounting officer of wholi Corporation

Ms KeettVs extensive senior leadership experience at Shell, a complex global business c-gantzation, positions her well to polyisc the Board and senior management on a wide range of strategy and financial mailers Ms Keeth brings to the Board, among other skills and qualitcations, valuable business leadership and operations management expenence in a global, capital-intensive business As a issuil of this expenence. she is able to provide insights into many aspects of our business, including business systems, public accounting and finance Ms Keeth also has extensive expertise in international operations and strategic partnerships, which assists the Company in repferending our growth strategic partnerships, which assists the Company in repferending our growth strategic partnerships, which assists the Company in repferending our growth strategic partnerships.

Ms Keeth has served as a Director of Venzon since 2006 and is a member of the Audit Committee the Human Resources Committee, and the Finance Committee She is also a director of Arrow Electronics Inc fsince 2004) and, in the past five years, she lias served as a director of Peobody Energy Composition

M McAdam S9, is Chairman and Chief Executive Officer of Venzon Communications Inc. Mr McAdam became Chief Executive Officer on August 1. 2011 and Chairman on January 1, 2012 From October 2010 until becoming Chief Executive Officer. Mr McAdam served os President and Chief Operating Officer and had responsibility for the operations of the Company's network-based bustnesses-Venzon Wireless from 10 until Decoming Chief Executive Officer. Mr McAdam held key executive positions at Venzon Wireless from 10 until 2010 and was a susming [his role. Mr McAdam held key executive positions at Venzon Wireless from 200 until 12010, and belore hat served as the company's Executive Vice President and Chief Operating Officer Before the formation of Venzon Wireless. Mr McAdam held executive positions with PnmcCo Personal Communications, a joint venture owned by Bell Atlantic and Vodafone AirTouch Airl ouch Communications and Pacific Bell

Mr McAdam brings to the Board a unique understanding of our strategies and operations through his broad expenence in the lelecommunications industry and Ins pivotal role in the devicopment of Venzon Wireless Mr McAdam serves a key leadership role on Ilie Board, providing the Board with an indepth knowledge of the Company's business, industry, challenges and opport urn lies His extensive leadership expenence enables Mr McAdam to play a key role in all matters involving our Board and positions hurt well to act not only as the Board's Claimnan, but also as the principal intermediary between management and the independent members of our Board

Mr McAdam has served as a Dnector of Verizon since 2011 Mr McAdam has been a member of the Board of Representatives of Vcruton Wireless stnee 2003 and lias served as its Cliamnan since 2010.

ROBERTW LANE

Mr Lane, 64. served as Chairman and Chief Executive Officer of Deere 4 Company from 2000 to 2009 Deere & Company is an equipment manufacturer that in fiscal 2009 had net sales and revenues of \$23 1 billion and approximately 51,300 employees as of October 31, 2009 Dunng his 28 years at Deere, Mr. Lane held positions of increasing responsibility across a wide vanety of domestic and overseas units These positions included serving as President and Chi#f Operating Officer of the company. President of the Worldwide Agricultural Equipment Division, Chief Financial Officer of the company and President and Chief Operating Officer of Deere Credit, Inc

Mr. Lane's tenure as Chairman and Chief Executive Officer of Deere & Company and as a senior executive in several of its business units provides him with valuable business, leadership and management expenence, including expenence leading a large, complex organization wrth global operations This background gives him a global perspective that positions him well to advise the Board and senior management on implementing the Company's growth strategics. Mr. Lane also bnngs to the Board an extensive background in manufacturing marketing, operations and finance

Mr. Lane has served as a Director of Venzon since 2004 and is a member of the Finance Committee. He is also a director pf General Electric Company (since 2005) and Northern Trust Corporation (since 2009) and a member of the supervisory board of BMW AG (since 2009), in the past Wc years. Mr. Lane has served on the board of Deere & Company as its Chairman.

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Mr Ntcolatscn. 69, was Chief Accountant of the U S Scounties and Exchango Commission from 2003 to 2005 in that role, Mr Nicolaisen was responsible of performance of public company auditors Pnor to joining the SEC, he was a Partner in PricewaterhouseCoopers and its predecessors, which hojoinod in 1967. At PnocwatcrhouseCoopers, Mr Nicolaisen served on the firm's global and international boards, led the firm's national office for accounting and SEC services from 1968 to 1994. led the firm's financial services practice, and was responsible for auditing and providing nsk management advice to large, complex multinational firms.

Mr Nicolaisen brings to the Board a range of expenence in leadership positrons in both the public and private sector His extensive expenence as Chief Accountant at the SEC. an outside strategic advisor to multinational companies and a senior loader of one of the world's largest accounting firms cnabtoo him to advise the Board and senior management on accounting matters government relations and public policy. Mr Nicolaisen's unique financial and accounting background also provides financial expertise to the Board, including an invdepth understanding of risk management, corporate finance and accounting, as we will as the numerous issues facing a public reporting company.

Mr. Nicolaisen has served as a Director of Venzon since 2005 and is Chairperson of the Audit Committee and a member of the Corporate Governance and Policy Committee. He is also a director of MGIC Investment Corporation (since 2006), Morgan Stanley (since 2006) and Zunch Insurance Group

(since 2006)

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CLARENCE OTIS JR

Mr. Oiis, 57, has been Chairman of Darden Restaurants. Inc.. a restaurant holding company, since 2005 and Chief Executive Officer since 2004 Darden Restaurants :s the largest company-owned and operated full-service restaurant company in tho world As of May 2P, 2013. the company's 206,000 employees operated 2.138 restaurants in lib United Stales and Canada and generated fiscal 2013 sales of \$8 5 billion Mr Oils joined Darden in 1958 as Vice President and Treasurer and held positions of increasing responsibility, including serving as Chief Financial Officer from 1990 until 2002. Executive Vice President from 2002 to 2001 in a different for its has selved as a class B director of the Federal Reserve Bank of Allandar since 2010 in inlat role, he contributes to the formulation of monetary policy, oversight of the bank s operational nsk mnnagement and the review and appointment of senior management of the hank

Mr. Otis bnngs to the Board among other skills and qualifications, a broad backgrounn in consumer services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great consumer services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great consumer services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great consumer services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great services, retail operations and finance, which are critical areas for Venzon He has extensive business learnershiji and management experience Mr Otis leads a comptet to great services, retail operations and finance, which are critical areas for Venzon He has extensive business learnership and management experience Mr Otis leads a comptet to great services.

workforms with I lijwith ma tholough understanding of many of the operational challenges Verizon faces fin add, tion as a issuit of h,s experience at the Federal Reserve Bank of Atlanta. Mr 01* is positioned well to advise the Board ar.d senior management on risk management, which is an important and for a Urge, complex cmanizabnor like Virt.-on

Mr Stejla, 51; is Executive Vice President. Merchandising and Supply Chain and a member of the Executive Committee of Target Corporation, the second largest discount retailer in the United Stales with 1 782 slores, revenues of \$70 hillion and approximately 365,000 employees in fiscal 2012 in this role, which she has hold s.noe 7008 Ms Tesija oversees all merchandising functions, including product design and development sourcing inventory management merchandising systems presentation and operations as well as the company s global supply chain Ms let; jia joined Target m 1586 and was appointed in numerous positions of increasing responsibility at die company, tanning from. Dilectiiir. Merchandise Planningto Senior Vice President, Hardlines Merchandising

As a result of her long tenure all Target Ms Tesr-a has gained broad business and leadership openence Along with Iter significant management skills Ms 1 cuna brings to the Board an in-depth knowledge of the rei.M ind retry, expertise 'n loading the complex, largo-scale global retay functions of merchandising and supply charm and sign'ficani insight min consumer behavior which give liter a thorough understanding of many important issues facing Vmzon I ler oxforts'vo background positions Ms Tesija well to advise the Venzon Board and somor management on implementing the Cur.'.pa'y s sttateyies

Ms 1 esi;a has served as a Director of Venron since December 201? ami is a member of the Corporate Governance and Policy Comm Itee Mr Otis has served as a L'mertor of Venmn since ;1006 nnn i Committee and the Hurran Resources Cumminee He is alst tin.e trie Finance

rice ::oo-i)

? a member o< the Aud.t Comn' a director of VF Corporation [b

RODNEY E SLATER

Mr Slater, 59 is a partner at the law firm Patton Boggs LLP, locusing his practice i.n the areas of transportation and infrastructure and public policy Pnoi to joining Patton Boggs, from Feb'uary 199/ to January 2001 Mr SLiler was the U S Secretary of Transportation. In that position Mr Slater was responsible for overseeing national transportation policy, encouraging intermedal transportation intermedal transportation policy encouraging intermedal transportation negotiating intermedal transportation engotiating intermedal transportation engotiation engotiation

Mr SUlefs e>Denonce as the U S Secretary of 'f.-a.nsj.joiutiori and as the Acm m: flaior of thit' Federal Highway Administration position::, h m well to prev oe oversig.nt io our Company wilk' epeatit-j tr a hijhrv reyukiled industry, and to advise the Board and senior m:-iru?t,'f.£'.til or' loo s crshir; gov-ir-imer-i roblions ami plok policy Koch of these areas is an important focus for Venion and has a fundamental impact on I^hj w.iy the Company operates Mi St;lk' also brings to the Board hrs experience guiding clients in developing infrastriji tu't';<;; wdl as insights on (he role business

MI SIS'er has served as a Director of Vennuri smce 2010 and is a member of the Corporate Go'.trm.vce and Policy Committee He is also a director of Kansas Cily Southern (since 2001). Irrmsurban G'oup (smce 2009) and Alums pic [since 2011) In the past five yearn, Mr Slater has served as a director of Delta Air I mes line and iCx Jt.-chnologies.

Mr Wasson, 55, is President and Chief Executive Officer of Walgreen Co., tho nation's largest retail divisore chain, which in fiscal 2013 had \$72.2 billton of net sales, 8 582 locations and 2-iO.COO employees In June 2012 Walgreens announced a strategic partnership with Alliance Boots the leading pharmacy-led health and beauty viouri acioss Luroue with a presence m more lhan 25 countries Mr Wasson has served as President and Chief Executive Officer and as a member of lhe beard of riliectors of Walgreens since 2009 A registered pharmacist he joined lhe company in 1980 and was appointed to positions of increasing responsibility mclud.ng President of Walgreens Health Initiatives in. 2002. Senior Vice President of Walgreens in 200-1. E>ecutivo Vice President of Walgreens in 21X15 and President and Chef Operating, Officer ri Walin-cors ir. TQ07

Wsr.nvi nas served as u Dm j.man Resources Committee

As Chief Fuecutive Officer of Wnigreurs Mr. Wasson has gained valuable operational and management exper.*nce at a ccinnlo.* organization n-ilh a foirtjc diversi.- workforce and sign fir. ant global operations which twos nun a thcroucn unaen.;landing of the challenges lacing Ven/on in my'cinew ng our gnjwlfi stmtco'es Mi Wasson t nngi lo fit Beard an "1-dc-plh know lodge or t.ne retail thrtus" y and ms.gn: mio the consumer expenence in addition h.s event, ive b-jck.; outid m tho heah'ica'O inuuMry posil.orv.; M> W;;;so" wdl to advise the Bo,ird and sento' manage-me"! on at' area v' incifter.i'i'j importance to Verzo'i's evolv no business strategy

tor of Ven/on Since March 2013 and is a member of the Ann : Con-.

Ratification of Appointment of -Independent Registered^Public Accounting Firm

The Audit Committee of the Board considered the r*rfc*mance and qualifications of Ernst & Young LLP, and has reappointed the independent registered public accounting firm to examine the financial statements of Verizon for the fiscal year 2014 and to examine the effectiveness of internal control over financial reporting Ernst & Young has been retained as Venzon's Independent Registered Public Accounting Firm since 2000

Venzon paid the following fees to Ernst & Young for services lendcicd dunng fiscal years 2013 and 2012

2013

Audit fees Audit-iclated fees Tax fees All other fees \$246 million \$46 S239 million \$33 million 540 million Si 1 million S

Audit fees include the financial statement audit, the audit of the effectiveness of the Company's internal control over financial reporting required by the Sarbanes-Oxlev Act of 2002, as well as financial statement audits required by statute for our foreign subsidiaries or by requiatory agencies in the United Adult relet a flace in the manufact statements a durity of a dutity of the directiveness of the Cultipary is milestance in the manufactureness of the Cultipary is milestance in the manufactureness of the Cultipary is milestance in the cultipart of the manufactureness of the cultipart of the cultipart of the manufactureness of the cultipart of the c

The Committee is directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm retained to perfoim audit services in order to assure continuing auditor independence, the Committee pencically considers whether there should be a icgular rotation of the independent registered public accounting firm's personnel occurs roulinely and is directly involved in the selection of Ernst & Young s lead engagement partner

The Committee has established policies and procedures regarding pro-approval of services provided by the independent registered public accounting firm At the beginning of the fiscal year, the Committee pre-approves the engagement of the independent registered public accounting firm At the beginning of the fiscal year, the Committee pre-approves proposed audit-related services, tax services and other permissible services, based on specified project and service detailers, fee estimates, and aggregate fee limits for each service category. The Committee receives a report at each meeting on the status of services provided or to be provided by the in-review public accounting firm and the reliefs and all fees and all fees are approved and service detailers, the provided or the provided provided by the in-review public accounting firm At the beginning of the first provided provided provided provided provided public accounting firm At the provided provided provided provided provided provided public accounting firm At the provided p

vote of a majority of the shares cast at the annual meeting is required to ratify the reappointment of Ernst & Young for the 2014 fiscal year The Committee believes that the continued retention of Ernst & Young to serve as Venzon's independent registered public accounting firm is in the best interests of Venzon and its shareholders If this appointment is not ratified by the shareholders, the Committee will reconsider its decision

One or more representatives of Ernst & Young will be at the 2014 Annual Meeting of Shareholders They will liave an opportunity to make a statement and will be available to respond to appropriate questions

The Board of Directors recommends that you vote FOR ratific

Compensation Committee Report :..:r.--.-vr» ..->•?• -:-.>

-The'l I u man' Re's oil fees Committee has reviewed and discussed the' Compensation Discus's ion' and Analysis with management Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of (he Compensation Discussion and Analysis in this proxy statement and the Company's Annual Report on fron 10-K

Human Resources Committee

Insenh Neuheuer, Chairnerson Richard Camon Meterne Healey M Frances Keeth Clerence Offs, it Grecory Wasson

Dated February 25. 2014

Compensation Discussion and Analysis

The Human Resources Committee of Ihc Board of Directors oversees the development and implementation of the total compensation program for Venzon s named executive officers Throughout this discussion and analysis of compensation, we refer to the Board of Directors as the Board and the Human ee as the Comm

Chairman and Chief Executive Officer

Executive Vice President and President and Chief Executive Officer - V Wireless Executive Vice President and Chief f inancial Officer

Executive Vice President and President - Verizon Enlerpnse Solutions

For 2013. Venzon's named executive officers were

Lowell C McAdam Daniel S. Mead

Fiancis J Shammo John G Stratlon Randal S Milch

Executive Summary

Venzon's strategy is to build on the strength of our network as a platform for future growth and innovation To that end, in 2013 we focused on the growing areas of our business - mobility, broadband, video, cloud services and security We also passed a strategic milestone, entering into a transaction that would give us sole ownership of Venzon Wireless, which we expect to enable us to better leverage our assets and capabilities across our business going forward Under the leadership of our management team, our solid execution on our strategic initiatives and our disciplined locus on our financial objectives delivered strong results in 2013 These included

Change from 2012

S2 84 1120.6B 572 2B 23 6% 26 8V. 4 1% 45 1% 654 bps Adjusted LPS Total Revenue Free Cash Flow Return on Equity

1A reconciliation of non-GAAP measures to the most directly comparable GAAP measures can be found in Appendix C to this proxy statement.

As discussed in greater detail below, based on Verizon's strong financial performance in 2013 and lotal shareholder return over the past three years, the 2013 short-term incentive award was paid at 110% of Ms targeted level and the performance slock units granted in connection with the 2011-2013 award vested at the 100% level

Summary of Executive Compensation Program and Practices

Our commitment to adopting industry-tearing compensation and governance practices is reflected in the design of our compensation program. Some of these elements include

Approximately 90% of our named executive officers' annual total compensation opportunity is vanable, at risk and incentive-based The primary components of our executive compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation program and their approximate percentage of the lotal compensation percenta

90% variable, incentive-based pay - composed oil an annual cash incentive based on achievement of pre-established performance goals and a long-term incentive in the form of an eguity-hased award thai vests after three years and is composed of PSUs and RSUs

i does not include other forms o' fi» guaraniced pension and supplmtu

1IJ*'c li*ed pay -■ annual cash ha

In add lion, t"*t compensation proo/a non-performance related pay such a benefits

en Compensation and Risk Taking

The Committee benchmarks each executive's total compensation opportunity aga nsi a single peer group referred to as the Related Dow Peers and described beginning on page 32 and in Appendix B The Committee references the GO »> percentile of Hie Related Dow Peers for total compensation opportunity, with further consideration given to the tenure and overall level of responsibility of a particular executive

ing the compensation program and the performance metnes used undo." the program the Committee consrdeis the impact of the compensation program on the Company's nsk protile the Committee believes that Venzon's compensation program has been structured to provide strong rexecutives to appropriately balance risk and reward consistent with the Company's enterprise business nsk management efforts

At the request of 'he Committee, management and tin: Comm.ttee's compensation consultant. Pear) Meyer A Partners (tho Consultant), engage i-n a semiannual sharenelder outreach program with certa.n inst tudonal investors to discuss the design and oceranon of Verzon s executive compensation program Management and tile Consultant provide a report to the Committee on the rusuf's of that outreach The Committee t-elliuves this program provides opportunities for shareholders to provide input on Verzon's executive compensation program and policies in addition to the annual say-on-ay vote

The Role of Shareholder Say-on-Pay Votes and Shareholder Outreach

Tin? Company provides its shareholders with ihe opportunity to cast an annual advisory vote on e⁺o<-usive coinpenr,a (say on-pay) At the Company's Annual Meeting of Shareholders held in May 2013. approximately 89% of the vulns c on tile sny-ori-pay proposal were voted in favor ni trie pro>osal 1 he Committee consulting this vote as demonstratm strong shareholder support for the Company's executive compensation programs

Based on the shareholders Strong support for trim Con.pjny's say on pay prop:>>al in 7013 as well as in each of. Ihr preceding years thai a say-on-pay vole has been held and Hie discussions with the Company's investors during the semiannual stym-h older outreach program de'>(.nbed aljove, ttw? Company continued io apply the same eff*ctiv? principles and philosophies highlighted above and dolacroped more fully below that have been apofin-d in prior years with making compensation decisions for 2013

The Commiltee believes that it rr. appropriate to use the same peel group to tic-nchmanX occilivo pay r, ppor; unities r? to evaluate Verizon's relative stock performance number its lung-i-erm incentive plan For trus purpose, the Committee uses a single peer group that includes the 29 companies (other than Verizon) in the Dow Jones Industriol Average, plus Verizon's four largest industry competitors that are not included in the Dow Jones Industrial Average This group is referred to as the Related Dow Peers. The Committee believes that this group of companies, companies of similarly-eized companies based on market capitation, net income, revenue and total employees that are included in an estabSished and recognizable index, as well as Verizon's four other largest industry competitors, is appropriate the dual purpose of benchmarking executive pay opportunities and evaluating relative stock performance under the long-term incentive plan because the companies in the Related Dow Peers represent Verizon's primary competitors for executive talent and investor dother and investor district and investor dother and investor dother and investor district and investor dother and in shareholder; to evaluate, monilor and understand Ven.TOn's compensation program

To delcrine whether the compensation opportunities for executives are appropriate and competitive ine Committee compares each named executive clicers total ix moensation opportunity -which represents the aggiegate total amount of the executive s base salary and target award amounts under the To describe where the developmentance to recurrence and apply production set of executives and apply production set of executive states that it is not a formation and long-term incentive plans - to the lotal compensation opportuat, es shift!//opportuat.es shift

Append-x 13 to this proxy statement includes a chart that I sis the companies included in the Related Dow Peers for 2U13 compensation purposes, (heir market capitalization as of December 31 2013, as reported by Bloonineig, and their net income attributable to the company, revenue and total number of employees, as of each company's most recent fiscal year-end as reported in SliC Mings

Compensation Objectives and Elements of Compensation Compensation Objectives

Ven/on"s compensalion program is designed to anagemem and shareholders, the Cornmilieti

Align executives' and shareholders' interests Illuough the use of performance-based compensation and Attract retain and motivate high-performing executives

To promote a performance-based culture trial further links the interests of r has developed a compensation program that

elf or vanable. performance-based compensation, with fi^{*}ed compensation in the form of base salary constituting only approximately 10°, i of each executive s total compensation opportunity, and does not include such fued compensation elements as guaranteed defined benefit pension and supplemental pension bene'its

shing the mix ut incentive pay used in the Company's pay-tor-performance program, the Committee balances lhe importance of meeting the Company s short-term business goals with the need to-creale st-areliolder value over the longer lenn To nelp ensure that the interests of executives remain closely alignnHi with lhe interests of sharefulders target long-term compen;;al:oii opportunities represent more than twice the target compensation opportunities related to short-term performance

Additionally, the Company s compensation program features three-year long-term incentive awarcs. including PSUs subject to both performance-hasec: and time-based vesting requirements and to morarge high-performing executives to remain with the Company RSUs that vest based on the executive s continued employment through the end of the three-year performance evele

Elements of Compensation,-.-.. -- . ^ -In setting total compensation at competitive levels'." the Committee determines the appropriate balance between

Fixed and vanable pay elements. Short- and long-term pay elements, and Cash and equity-based pay elements

The following table illustrates the pnncipal elements of Verizon's executive compensation program Pay Element Characteristics

Primary Objective

Base salary Snort-term incentive opportunity (STI)

Annual fixed cash compensation Annual variable Attract and compensate high-performing and cash compensation based on the achievement of expensenced executives incentive executives annual performance measures Long-term unaintended on the achievement of expensenced executives incentive executives in annual performance expenses of the properties of the prop

As discussed above, the Commillee references the 50 ^ pcrccnlite of the Related Dow Peers to benchmark ihe total compensation opportunity of each of our named executive officers However the Committee does not benchmark each element of a named executive officer's total compensation Instead, consistent with the Committee's emphasis on a performance-hased culture, line Committee has determined that a substantial majority of each named fiAfiTutive officer's total compensation opportunity should be vanable and performance-based Accord.ngly. Ihe Committee helcrm.ned in its

mately 10% of each executive s total compensation opportunity in the forni of base salary, approximately 15% to 25% in the form of short-term incentive and approximately 65% to 75% in the form of long-term incentive

The following chart illustrates the approximate allocation erf the named executive officers' total compensation opportunity for 2013 between elements that are vanable, performance-based and fixed pay

. 2913 Find va, Variable Pay fcVi . • • ^2013 Annual Base Salary

To determine an executive's base salary, the Committice, m consultation with the Consultant, reviews the competitive pay practices of the Related Dow Peers for comparable positions and considers the scope of the executive s responsibility and expenence. In particular, tho Committee focuses on how base salary levels amy impact the market competitiveness of an executive's lotal compensation opportunity. The Committee also discusses eris assessment of the other named executive officers with the CEC Dissection 17% for Mr. Sharmon, 7.4% for Mr. Shar Related Dow Peers, with approximately 10% of each named executive officer's lotal compensation opportunity provided in the form of base salary in 2013 the independent members of the Board approved an increase of 7 1% for Mr McAdam This is the first base salary increase that Mr. McAdam has received since 2010 when he was promoted to tho position of President and Chief Operating Officer of Venzon

2013 Short-Term Incentive Compensation

The Von/on Short-Term Incentive Plan, which rs referred to as the Short-Term Plan, motivates executives to achieve challenging short-term performance goals Each year, the Committee establishes the potential value of the opportunities under the Short-Term Plan, as well as the performance targets

The Committee sets the values of the Short-Teirn Plan award opportunities as a percentage of an executive s base salary The applicable percentage for each named executive officer is based on the scope of the executive's responsibilities and on the competitive pay practices of the Related Dow Peeis. These award opportunities are established at threshold, larget and maximum levels for each of the named executive officers are shown in the Grants of Plan-Based Awards table on page 46

The following chart shows the 2013 Short-Term Plan target award typortunity for each of the named executive officer*; $3.750\ 000\ 990.000\ 852.500\ 797.500\ 737,000$

2013 Short-Term Plan Target Awa'd Opportunity

Named Executive Office

Mr. McAdam Mr. Mead Mr Shammo Mr Stratton Mr. Milch

The 2013 target award opportunities for our named executive officers, expressed as a percentage of base salary, did not increase from the target levels established for their 2012 award opportunities Whether, and the extent to which, the named executive officers earn lhc targeted Short-Term Plan award is determined based on whether Venzon achieves performance measures established by the Committee at the beginning of the year

The named executive officers are also eligible to receive medical, disability and savings plan benefits that are generally provided to all management employees, as wcl as certain other benefits that are desenbed under "Other Elements of the Total Compensation Program* beginning on page 40.

Determination of Annual Performance Meas

reviewed and approved the following annual financial and operating r*nformance measures for all corporate executives, including the named executive officers, and asenbed to each the weighting shown below as the percentage of the total Short-Term Plan award opportunity at target level performance

■2013 Shorl-Ttrm PUtn Peilormanc* IW»»urr»

Consistent with 2012, the Committee based the Short-Term Plan award opportunities for adjusted EPS, revenue and free cas'i flow T lu'se three measures we'e selected to reflect the Company's strategy goals of encouraging piofitaale operations, overall growth in the Company and el'inent use o' capital The Committee believes that these performance measures are appropriate to incentivize the Company's executives to achieve outstanding short-tj'nn results and, at the same time, help build long-term value tor 'charuhniders

Adjusted EPS. The Committee also virtus adjusted HPS as an important indicator of Verizon's success Tho Committee assigns the greatest weight tu aujusted EPS in delf-milinuig awards under the Short-limn Plan, because it is broadly used and recognized by investors as a significant indicator of Verijon s ongoing operational performance and is a clearly defined indicator of line Company's prcfitaoi.ty Adjusted EPS excludes nnn-recumng and non-operational items, including hut not limited to impairments and gains and fosses 'rom discontinued operations, business combinations, changes in accounting punciples the net impact of pension and po'jt retirement unoutt costs extraord nsrv tems and restructurings At, a result. adjistec EPS is :ic1 pos.tively or negatively impacted I.-oin |n.*iod to penod by tilese types of items, so the Committee believes it bout 'relivels the relative success of lice."

is an important indicator of :In- irllecis the level of penetration

Revenue The Committee also viewts achievement of consolidated total revenu Company's growth and success in managing its capital investments 1 his measi o

Free Cash Flow The Committee views consolidated fir.c cash flow as anothij important mrifroiir of Venzon's success m deliven.ng shareholder value because investors often cor. sidul (ret; cash flow as part of illeir uqu ty valJalion model? Tree cash flow is determined by subtracting capital expenditures from cash flow from cpfr.itniis The Committee believes that this type of cash flow measLre is relevant for Verizon Because Venzon s businesses require significant capital investment, and the level of free- cash flow reflects how u'rcionlly a hu'., i'e...s is manaji-g its cainlal expenditures Free cash flow clso provides an enoication of the amount of cas'i U'al the Comoury no available to return to shareholders m thy form of dividends and to red yew its outstanding cebt. DOth ot which we uunside: to UI- imputtiii'.: goals

3G

Diversity The Company is committed to promoting diversity among its employees and to recognizing and encouraging the contribution of diverse) business partners to the Company's success To reflect that important commitment, the 2013 performance measures also include a diversity measure. For 2013, the Committee determined that the diversity target would be measured for these purposes by the percentage of new hires and promotions at and above the manager level consisting of minority and female candidates and the levels of supplier spending at the corporate level with minority* and female-owned or operated firms

The value of the Short-Term Plan award opportunity with respect to each performance measure vanes depending on tho Committee's assessment of the Company's performance with respect to that measure. The Committee also has the discretion to mod.fy awards based on oiher factors that it deems

In addition, under the Short-Term Plan nc awards may be paid if Ven/on's return on equity for the plan year calculated based on adjusted net income (ROE;), dues not exceed 8%. even if some or all of the other performance measures are acrueved

2013 Annual Performance Measures

The 2013 annual performance measures for all corporate exe

including the named executive office's

A consolidated total "revenue target range of \$121.4 bill-on to \$172.0 billion, A cori".tilidated tittfC cash flow target range of \$20.8 billion '.o. \$7?.4 bill'rOn and A diversity target of (i) having 50V,- of new h.res and pro mot. oris at and above the manage" level consist of minority arid female candidates and (i) directly

es and (ii) directing at least 10% of the overall supplier spending at the corporal level to minonty- and female-owned or operated firms

In 2013. Ven/on reported generally strong results Venzon s 2013 results 1 included ROL- of 23 6%.

Adjusted EPS of 17.8-1. which exceeded the target range.

Consolidated total revenue of S1T0 5 hillion, which was just helm with target range.

Consolidated total revenue of S1T0 5 hillion, which was within the target range.

Consolidated free cash flow of S22 5 hillion, which was within the target range, and

Diversity m now hires and promotions above target performance and supplier spending above target

Alter considering the level of performance with respect to eact perfornance measure and applying its business judgment har od on its assessment of the level of achievement of each goal individually and collectively, ine Commit; ann for Mr McAdam. The independent members of the Board, determine the final Short-Term Plan awards at a percentage of this; targe; level for all participants For 2013. The payout percuntage was determined to be 110% of line larger level for all corporate executives The following this show. It the amount of the Short-Term Plan awards paid to f. Hch named p >= ...= nivi. nitu-e* 125,000 1.0180 000 937 750 877.2.f. | -https://doi.org/10.1081/10.108

Named Executive Officer

Mr McAdam

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ii fo.rnJ if Appendix C Mr Milch

of non-GAAP mi atcmflnl

>sl drectly comparable GAAP mcasi

Long-Term Incentive Compensation

The Venzon Long-Term Incentrive Plan, which is referred to as the Long-Term Plan, is intended to reward participants' for the creation of long-term shareholder value over a three-year penod and further link executives' interests to shareholders' interests in considering the appropriate duration of the performance cycle under the Long-Term Plan, the Comm, tec believes that it is important to establish a penod that is longer than one year in order to meaningfully evaluate (he pc-formance of long-term strategies and the effect on value created for shareholders Based on this consideration, the Committee determined that a three-year performance cycle for the Long-Term Plan awaids was appropriate

Consistent with the three pnor award cycles, the 2013 PSUs are payable m cash and the 2013 RSUs are payable in Venzon shares The Committee believes that paying PSUs in cash and RSUs in shares creates an appropriate balance between the potential shareholder dilution from paying awards in shares and cash flew considerations, and that both types of awards further align executives' interests with those of Venzon's shareholders as the ultimate values of the awards are based on the value of Venzon's common stock in addition, paying the 2013 RSU awards in stwires is consistent with Venzon's policy of regumng a significant level of equity ownership by our named executive officers

The value of each PSU is eaual to the value of one share of Ven/on common stock and iiccrucs dividend equivalents that are deemed to be reinvested in PSUs The d.vidend equivalents are only paid to the extent that PSUs are vested and earned The Committee determines an executive's Icla compensation opportunity by assuming that he or she will earn 100% of the PSUs initially awarded in any performance cycle However, the number of PSUs that are actually earned and paid is determined based on Venzon's acmevement of the pre-established performance process over the three-year performance cycle 1 he. final value of each PSU is based on the closing pnee of Venzon's common slock on the last trading day of the year that the performance cycle ends As a result, awarding PSUs provides a strong incentive to executives to deliver value to Venzon's shareholders

On the date the long-term incentive is awarded, the Committee also establishes the number of RSUs that may be earned based on the executive's continued employment with the Company through the end of the three-year award cycle as reflected in the award agreement. The value of each RSU is equal to the value of one share of Venzon common stock and accruse dividend equivalents that are one that the available of the share of Venzon common stock and accruse dividend equivalents that are only paid to the extent that the RSUs vest The 2013 RSU awards are payable in shares at the end of the three-year award cycle and provide both a retention incentive and a performance incentive as the value of the award depends on Venzon's stock, peer The Committee determines an executive stolat compensation opportunity by assuming the or share || earn of 10% of the RSUs's awards

Consistent with the 2012 awards, for 2013. each of the named executive officers received 60% of their 2013 Long-Term Plan award opportunity in the form of PSUs and 40% of then award opportunity in the form of RSUs. Two-thirds of the PSUs are eligible to vest based on Venzon's relative TSR performance and one-third is eligible to vest based on Venzon's cumulative free cash flow This allocation reflects the Commillees focus on encouraging both outstanding relative TSR performance and free cash flow creation and the retention of the Company's highly-qualified executive team.

The Committee generally establishes an executive's Long-Term Plan target award opportunity as a percentage of the executive's base salary. The Long-Term Plan target award opportunity for each of the named executive officers in 2013 was 625% of base salary for Mr McAdam. 525% of base salary for Mr Milch. The target award opportunities for the named executive officers increased over their 2012 target award opportunities solely as a result of their base salary increases identified above (re. their target award opportunities solely as a result of their base salary increases identified above (re. their target award opportunity allocated as a percentage of their base salary increases identified above (re. their target award opportunity allocated to executive's banch and a supportunity allocated to each type of award is converted into a target number of shares using the closing pnee of Venzon's common stock on the grant date.

The following table shows the target value of the awards granted to the named executive officers during 2013 in connection with the annual long-term incentive compensation opportunity Additional detail regarding the 2013 PSU **awards*, including the performance requirements, fullows the table **7*,...***,...***,...***...***
Award Executive Officer

2013 Long-Term Plan Target Award Opportunity

Mr McAdam 9 375 000 Mr Mead 4 725 000 4 0613.750 Mr Stratton 3 806.250 Mr. Milch 3.350.000

Two-thirds of the number of PSUs awarded are eligible to vest based on Venzon's TSR as compared to the TSRs of the companies in the Related Dow Peers, as constituted on the grant dale of the award, over the 2013-20'5 performance cycle One-third of the number of PSUs awarded is eligible to vest based on Verizon's cumulative dee cash flow over the 2013-2015 performance cycle compared against the performance targets established by the Committee at the beginning of the performance cycle

TSR Metric. With respect to PSUs that vest based on relative TSR performance (TSR PSUs). the following chart shows the percentage of tne 1SR PSUs awarded for the 2013-2015 performance cycle that will vest based on Venzon's relative I SR positioning compared with the companies in the Related Dow Peers

Venzon's TSR dunng the thrco-year performance cycle must rank at least 15 th, or at the 58 th percentile, among tho Rotated Dow Peers in order for 100V. of the target number of TSR PSUs to vest. Similarly, the maximum number of TSR PSUs (200% of target) will vest only if Venzon's TSR dun three-year performance cycle ranks among the top four companies in the Related Dow Peers, which corresponds to the 91 » percentile or higher. If Venzon's TSR dunng the three-year performance cycle ranks below 25 th. or below approximately the 27 <h percentile of the companies in (he Rela Dow Peers, now of the TSR PSUs will vest.

Free Cash Flow Metric The percentage of PSUs awarded for the 2013-2015 performance cycle that will vest based on Venzon's cumulative free cash flow (FCF) (referred to as FCF PSUs) will be determined based on the extent to which

performance levels that were established by the Committee at the beginning of the performance cycle FCF is determined by subtracting capital expenditures from cash flow from operations, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or

At the end of the performance cycle, the number of FCF PSUs that will vest; if any, will be determined by companing the actual performance of the Company against the performance objectives. The cumulative FCF target for the 2013-2015 performance cycle was set at a level that the Committee believes may be challenging in light of the economic environment, but attainable. The number of FCF PSUs that will vest will range (rom 0% if performance is below the threshold cumulative FCF level and up to 200% for performance at or above the maximum cumulative FCF level The number of FCF PSUs that will vest in between threshold and maximum performance levels will be determined by linear interpolation between vesting percentage levels

Wilin respect to the PSUs awarded in 2011. Hie Committec liutermincd line number of PSUs intat vested (or a participant nased on Verizon's TSR for the 2011-2013 three-year performance cycle relative to the TSRs of tho Related Dow Foors ar. constituted on the date the awaid was granted The following table shows the percentage of PSUs awarded for the 2011-2013 performance cycle that could vest based on a range of Venzon's relative 1 SR positioning compared with the companies in the applicable Relatea Dow Peers Venzon's Relative ISR Ranking
Among the Companies in the
Related Dow Pers

Correspond ryg Relative ISR Percentille Ranking Among the
Companies in the
Related Dow Pers

that will Vest

Relative ISR Percentille Ranking Among the
Percentage of Awarnett PSUs
Companies in the Related Dow Peers

that will Vest

91 ^ to 100 U' 79 tn to 88 th 67 in to 76 u»

200% 175% 150%

17-21 22-25 26-34

Over the three-year performance cycle ending on December 31, 2013, Verizon's TSK ranked 13 *». ot at the 64 in percentile, when compared to the Relates Dow Peers As a result of this achievement, in early 2014 the Committee approved a payment to all participants including tile named executive officers, of 100% of the number of PSUs awarded for the 2011-2013 performance cycle, puts dividend equivalents credited on those PSUs that vested pursuant ic the terms of the award As a result, even though the Company achieved performance at the W "> percentile of the Related Dow Peers the named executive officers wilv received lihe target number of PSUs gianted. plus dividend equivalents

Otfier Elements of the Total Compensation Program

I hp Company also provides the nameo n>ccutive officers with certa-n imi.lcd personal benefits ai generally dc-senhef below None of the named executive officers is eligible 'qi any tax gross-up payment in connection with any of these benefits includ ng with respect to the evices tax hability under Internal Revenue Code Section 4999 (elated to any Section 2008 G'esse parachute payments).

The Company pruvides certain, n. re raft and giound transportation benefits (o enhance the sak-ly and security o! certain named executive

ollicers These transportation benefits even when classified as a perquisite under applicable StIC luies, also serve business purposes au they fiecuority enhance (he ability of the executive to attend to business matters while in transit Additional information, on Companyprovided transportation is included in footnote 4 to the Summary Compensation Table un uayu 45

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Evenutive Life Incurance

The Company ollers the named executive olhocrs and other executives the opportunity to participate in an executive tile insurance program m lieu of participation in the Company's basic and supplemental life insurance programs. The executives who elect to participate in the executive life insurance program own the life insurance policy, and tile Company provides an annual cash payment to the executives to defray a portion of the annual premiums Additional information on this program is provided m footnote 4 to the Summary Compensation Table on page 45

Financial Planning

The Company provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives Add-lional information on this program is provided in footnote 4 to the Summary Compensation Table on page 45

Retirement Benefits

In 2006, the Committee determined that guaranteed pay m the form of pension and supplemental executive retirement benefits was not consistent with the Company's pay-lw-periormanc.c culture Accordingly, eticc'.wc. June 30 200G. Venzon froze all future pension accruals unaer its management tax-qualified and supplemental defined benefit retirement plans These legacy retirement benefits that were previously provided to Venzon's named executive officers are described m more detail under the section titled "Pension Plans" beginning on page 48

Dunng 2013, all ol Verizon's named executive officers were eligible to participate m the Company's lax-qualified and nonqualified retirement savings plans These plans are described in the section tilled "Defined Contribution S3vmgs Plans" beginning on page 50

Severance and Change in Control Benefits

The Committee believes thai maintaining a competitive level of separation bcncflis is appropriate as part of an overall program designed to attract, retain and motivate the highest quality management team However, the Committee does not believe that named executive cflicers should be enutled to receive cash severance benefits merely because a change in control transaction occurs Therefore, the payment of cash severance benefits is tnggered only by an actual or constructive termination of employment

ThC Company was not a party to an employment agreement with any of the named executive officers in 2013 All senior managers of the Company (including each of the named executive officers other man Mr McAdam) are eligible to participate in the Venzon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntanfy terminated without cause from the Company Mr McAdam is not eligible to participate in the Senior Manager Severance Plan and is not eligible for cash severance benefits upon a termination

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Venzon's broad-based severance plan that is provided to substantially all of Venzon's management employees other than senior managers Under the Senior Manager Severance Plan, if a participant has been involuntantly terminated without cause or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation, the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary and (argot short-term incentive opportunity, along with continuing medical coverage for the applicable severance period. To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person will not be eligible for any duplicative benefits under the severance plan. The plan does not provide for any severance benefits based upon a change in control of the Company

Under the plan, (he named executive officers (other than Mr McAdam) are eligible to receive a cash separation payment based on a formula equal to two times the sum of their base salary end target short-term incentive opportunity Other senior manager participants are eligible to receive a cash separation payment based on a formula equal to between 0.75 and two times their base salary and target short-term incentive opportunity depending on their position at the time of their separation from employment. In order to be eligible for any severance benefits, participants must execute a release satisfactory to Verizon and agree not to compete or interfere with any Venzon business for a pend of one year after their separation from employment.

Consistent with the Committee's belief thai named executive officers should not be entitled to receive cash severance bene "is merely because a change in control transaction occurs, the Long-7 emi Plan does not allow "single trigger" accelerated vesting and payment of outstanding awards in connection with a change in control of Venzon Under the Long-Term Plan, rf. in the twelve months following a change in control the participant's employment is terminated without cause, all den-unvested PSUs will fully vest at the target level performance, all then-unvested RSUs will fully vest and PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle.

Selected Compensation Policies

Stock Ownership Guidelines

To further align the interests of Venzon's management with those of its shareholders, the Committee has approved guidelines that require each named executive officer and other executives lo maintain certain slock ownership levels

The guidelines require the CEO to maintain share ownership equal to at least seven times his base salary and require the other named executive officers to maintain share ownership equal to at least lour times their base salaries Executives are also prohibited from short-selling or engaging in any financial activity where they would benefit from a decime m Venzon's stock pnee.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through lite Venzon tax-qualified savings plan or the Venzon nonqualified savings plan and oiller deferred compensation plans and arrangements that are valued by telerence to Venzon's stock The calculation does not include any unvested PSUs or RSUs Each of two named executive officers 15 m compliance with thu stock ownership guidelines None of the named executive officers has engaged in any pledging transaction with respect to shares of Venzon's stock.

Recovery of Incentive Payments

The Commilloc believes that it is appropriate that the Company's compensation plans and agreements provide for the termination or repayment ot certain incentive awards and payments if an executive engages in certa:n fraudulent or other inappropriate conduct Accordingly the Committee has adopted a policy that enables the Company to claw back and cancel certain incentive ayaments received by an executive who has engaged in financial misconduct. The Committee reviews this policy from lune to time and will refine the cuncrit policy to take into account changes in applicable law, including, for example, prey changes that may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

Shareholder Approval of Certain Severance Arrangements

The Committee has a pohcy of seeking shareholder approval or ratification of any new employment agreement or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2.99 times the sum of the executive's base salary plus Short-Term Plan incentive larget opportunity The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim, payments to offset tax liabilities, payments or benefits that arc not generally available to similarly-situated management employees and payments in excess ol. or outside, the terms of a Company plan or polxy

Tax and Accounting Considerations

Federal income tax law generally prohibits publicly-held companies from deducting compensation paid to a named executive officer (other than a chief financial officer) that exceeds \$1 milPon dunng the lax year unless it is based upon attaining pre-established performance measures that are set by the Committee pursuant to a plan approved by the Company's shareholders. The Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its shareholders including determining when to request shareholder approval of the Verizon incentive plans and when to award compensation that may not qualify for a tax deduction. The Committee considered the desirability of tax deductibility for performance-based executive compensation the determining to submit the Long-Term Plan to the shareholders for approval in 2013. Compensation paid to the named executive officers under the Short-Term Plan, as well as the PSUs.

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awarded under the Long-Tern Plan, are generally intended to meet the performance-based exception for deductibility under the tax taws.

The Committee also considers the effect of certain accounting rules that apply to the vanous aspects of the compensation program available to the named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of the Company and its shareholders. The Committee has been advised by management that the impact of the vanable accounting treatment required for long-term incentive awards that are payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance.

Committee Actions Taken After Fiscal Year 2013

On February 6, 7014, the Committee recommended, and the Board of Directors approved cumpensation aujustmoils 'or Mr McAdam and Ille Committee approved compensation adjustments for Messis Mead Shammo. Straunn a."'I M-Ion In making these decisions, tile Committee, and in the case of Mr McAdam. the Board, not>:d that, the Changes re'let! Venzon's commitment to emphasizing performance-based incentive pay and compensiting its executive officers at levels commensurate with Venzon's position in the marvel For 20'4. Mr McAdam's target annual 'ong-term incentive opportunity, expressed as a percentage of base salary, was increased from 110% to 150%. The base salaries of each of the named executive officers othe' than Mr McAdam or pressee as a percentage of base salary was increased from 110% to 150%. The base salaries of each of in Million, 1 2%. The base salary adjustments are effective March 2, 20'4 No cha"ge was made to Mr McAdam s target annual short-term incentive opportunity, and no change was made to the target annual rung-term incentive opportunities for any of the named executive officers other than Mr McAdam.

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टompensation Tables	
Summary Compensation Table	
Non-Equity incentive Plan Companies M*	
adin	
Nonqualfied Deferred	
	(The amounts m this column reflect the grant dale fan value of the PSUs and RSUs computed m accordance with FASB ASC Topic 718
	based on the closing pine of Vertzon's common slock on the grant date. The grant date is not one story to the property of the
	the nominal PSUs awarded, which is the performance threshold the Company liehevevl was most likely to he achieveo under the giants on the grant date The following lable reflects the grant, date fair value of these PSUs as well as the mammum grant date fan value of ther. awards based on she closing pinee of Venzon s common slock on the grant finiel firling; to the Company's performance during the
5f0 cay : as bx) 01; 7700077 al 24f 981017 2010 0ts	applicable performance cycle, Uv, PSUs vested at their maximum level
in ^ou cll)	
L(46C off b 1.70 off 4 mm 1	
The amounts m this column for 2013 reflect the 7013 Short-Term Plan award paid to the NijflimJ executive officers in February 2014 as desembed on pager-3-1-31 htt amounts in this column for 2013 reflect the abovt-market earnings on inpounts field in institutified deferred compensation plans Mesers Sharmon and Shir pensorn value of 2323 303 LH 731 am 11,13 for -Sqir3-i-i-shared on the applicable calculation, formula in account with SEC rules because the augitor.	atton are not eligible (or pension lienehts For M>;bs <s 2013="" a="" and="" lor="" mcadam="" milch,="" mr-ad="" n<="" ril-llucilon="" td="" there="" was.=""></s>
th: for 701/1 the amounts shown in this column for 2015 for Messra Modelam Mean and Mitch reflect above-mert.": earnmal only Viert-on's defined benefit plan accrusis under the 14-zero Virtules yearship alm wold lock In 4 of Doccom* 31 70K he lolic wing (able provides the detail for 2013 compensation reported in the "All Other Compensation" column Total = this 70 for 10 f	se were frazen as of Juno 30 7º06, and Venion eloppod all future Len ₋ ini accruate -indiv those plans as of tha; d-fle All
Nonq unified Deferral P	bn.W
Company Contilibutimi to the Life truitance Benefiti ^e <5) 19,050 13 050 ht 71/2 10 050 19 050 780 B74 286 634 163.476 130 433 129 710 315 233 104 241 32 637 S3 148 776,742	
Saving* Plan 168 253 Mi McAdam Ur Mead Mr Shammo Mi Si ration Mr M1H1 21918	
•"The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the tolal 2013 personal flight houis by the incremental expenses and crew trip expenses, and then dividing by the total annual flight hours	
"The aggregate incremental cost of the personal use of a Company venicle is detenmed by (i) calculating the incremental vehicle cosi per mile by dividing the an (in) adding the incremental diver cost (the 2013 driver hours for personal use multiplied by the drivor's hourly rate) "Accept the insurance is available to executive programs that Venzon provides to management employees. The executive owns the insurance policy and is responsible for paying the premiums However, Venze participate in the executive life insurance policy provides a death be dies before a designated daile For Messrs McAdam, Mead. Shamman and Stratton, this daile is the latest of the participant reterment dale, the date on which he date on which he reaches age fis. UThis column represents tho total amount of other perquisites and personal benefits provided These other Benefits consist of . (Messrs Shammo, Stratton and Milch, financial planning services i the Company provides each of the named executive officers who elect to participate in the finant incremental cost of personal travel for Mr. Mead is equal to tile direct expense related to his spouse's attendance at a business event at the request of the Compa	ves on a voluntary basis Executives who choose to participate in this program are excluded from the basic and supplemental life insurance on pays each executive an amount, which is shown in this column, that is equal to a portion of the premium Executives who choose not to crudit equal to two times the sum of the executive's base safary plus his short-term incentive opportunity a: 67% of target level if line executive participant reaches age 60 or the fifth anniversary of plan participation For Mr Milch, this date is the c-article of five years post-refirmment or the (y) for Mr McAdam, non-recumng expenses for home security, (*) for Mr Mead financial planning services and personal travel, and (n) for cidal planning through mith a financial planning benefit equal to the Company's payment for the services, up to \$10,000 The aggregate
includes the grant date fair value of the special equity award granted to Mr McAdam in 2011 in connection with his appointment to CEO, with 70% of the award og cycle ending Jury 31, 2016, provided that Mr. McAdam remains continuously employed, subject to the terms of the award agreements. The number of PSUs that vocke, and to the extent the performance critical is achieved, the final award will include dividend equivalents that accure on the vested portion of the award to Se percentage of 15V, 100% of the norminal number of the PSUs granted will vest A maximum of two times the norminal number of PSUs granted will vest A maximum of two times the norminal number of PSUs granted will vest for the Norminal number of PSUs granted will vest for the vested portion of the PSUs will vest, provided that the vested portion of the PSUs will vest, provided that the vested percentage mu Mr McAdam will be required to hold any shares he receives for at least two years following the vesting date unless he dies or becomes disabled.	portunity in the form of PSUs and 30% in the form of RSUs, which may become payable after the completion of the five-year performance will vest at the end of the five-year performance cycle will be determined based on Verzon's average annual ROE during the performance but will vest unless Verzon's average annual ROE meets the fairnitum threshold of 10% if Verzon's average annual ROE meets the target as average annual ROE is at least 20% if Venzon's average annual ROE during the five-year performance cycle is greater than 10% but less

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45 - | ^ tr. ■ -f -•.

I-The following table provides information about the 2013 awards granted under the Short-Term Plan and the Long Teim Plan lo each named executive officer." ~. "~ I hreshoM Target Maumurn LilimalbCJ Future Payouii Under Non-Equity Inccni.ve Pbn Award* J hre*hoH Target Majynum (J) <u>fc)</u> Grants of Plan-Based Awards Al Olher
OplronOram
A war eii Excroc
Number of or Ha AlOlhur Stock Awards Number of Sc-eurnts Price oi Underlying Oplion Option* Award Ω 10 II) (D McAiliim ST IP - 1 B75.0D3 3 7fjO.OO0 5.S25.000 PSU H/a.'zOU 37 53? 1*7 286 234 572 mil :i.'a.'?ot3 ST IP -Mr Mead ST IP - 4St 16 289 50 902 101 804 PSU 3'B.'2013 4S5003 030 G00 1 400 300 18916 59 112 11B224 PSU j.'aiyuu STtP - 42G2S0 852.500 1.278 750 PSU 3/8/2013 RSU 3/6/2013 51rallon STP - 308 750 757,500 1.196 250 PSU 3/8/2013 13411 41,910 83820 15 238 47 618 95 236 31 74ti HSU j/B/2013 SIP - 3C8 5O0 7.17 000 1 105 500 PSU 3/8/2013

?Tho actual amount awarded in 2013 was paid in February 2014 and is shown in column (g) of the Summary Compensation Table on page 44
3These columns reflect the potential payout range of PSU awards granted in 2013 to our named executive officers in accordance with the Company's annual long-term incentive award program, as desembed on pages 38-10 At the conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units awarded based on Verzon's relative TSR position as compared with the Related Dow Pears and Verzon's cumulative free cash flow over the three-year performance cycle as desembed in more detail on pages 38-40 PSUs and the applicable dividend equivalents are paid only and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle. When dividends and distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends on the total number of PSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

< This column reflects the RSU awards granted in 2013 to the named executive officers in accordance with the Company's annual long-term incentive award program When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends on the total number of RSUs credited as of the dividend distribution date and divided by the four market value of the Company sommon stock on that date.</p>
SThis column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing pree of Venzon's common stock on the grant date For PSUs, the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believes is the most likely to be achieved under the grants.

Outstanding Equity Awards *t Fiscal Year-End

Option Award*



Uhe annual 2012 and 2013 RSU awards vest on December 31, 2014 and December 31, 2015 respect-vety Mr McAdam's 2011 special RSU award vests on July 31, 2016 RSUs accrue quarterly dividenos that are reinvested into the participant's account as additional RSUs and will be included m lihe dual

The annual 2012 and 2013 RSU awards vest on December 31, 2014 and December 31. 2015 respect-vely Mr McAdam's 2011 special RSU award vests on July 31. 2016 RSUs acrore quarterly dividences that are reinvested into the participant's account as additional RSUs and will be included m lhe dual RSUs apmin in the awards vest in sociumn included winder of quivalent units that have accrued tirouph December 31, 2016 accounted units that have accrued tirouph December 31, 2016 accounted units and accounted tirouph December 31, 2016 accounted units and accounted tirouph December 31, 2016 accounted units and acco

Value Realized from Stock Options and Certain Stock-finsed Awards

The following table reports the value realized from the vesting of the following stock-based awards for the named executive officers

2011 PSUs Ihat vested on December 31, 2013, and 2011 RSUs that vcsled on Decemner 31, 2013

The foNow ng table also reports the number of partnership value appreciation nobis ("VAHs") Mr McAdam ex-Licii.ed m 2013, which were granted to Mr McAdam on Mjicil 31 2001, by Ven.ron Wuek;ss r-rs employer of thai dale V.r McAdam exeicsco h'S VARs in December 2013 in connection v.-th the impelKimij exp r.-tlio-i ul the 10 year :rem of vie awaid and the expiration of fib VAR program on Marcon 31, 20K

In 2014, based on the Company's relative TSR as compared wiin line Related Dow Peers, me Committee approved a vested percentage of 100% of the taicet number of PSU awards gianieo for the 2U11-2013 perioimanct-cycle for all participants, including the named cubculivi- officers The vall 2011 PSU awards upon vesting for Mi McAdam Mi Mead. Mr Shammo. Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting (or Mi McAdam, Mr Mead Mr Shammo Mr Stratton and Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting for Mi McAdam, Mr Mead Mr Shammo Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6IIJ. and 52 916.366 respectively and the value of line 2011 RSUs upon vesting for Mi McAdam, Mr Mead Mr Shammo Mr Mifch were J8.1C5 769. S3.582 093. S3 30/ ISI \$7./SS.6

Number of Shares Acquired on Value Realized Number of Shore* Acquired on ar Everdie ' Exerdu 1 (#) (5)
 (b) (O Vetting > Veiting > Veiting 2 S (*) fi) f<0 < \kappa \) Mr McAdam Mr Mead Mr 420.863 20.820.093 0 0 0 0 0 0 0 0 Shammo Mr Stratton Mr Milch 276.956 13.609.596 120.e75 5.920.155 112.16/ 5.511.898 94.957 4 666 186 98 914 A (160610

¹ These awards arc described in the Compensation Discussion and Analysis on pages 34-39

The cpnon awards Islad for Mr McAdam represent VARs granted on March 31. 2004, by Venzon Wireless, his employer on that daze The value realised on exercise represents the dilference between \$83.36, tho value of the corresponding Vcn7on Wireless partnership right's ware energied. and \$13.89 the exercise pnee fof such right's thread consistent with past practice.

The aniounis include dividend equivalents that were credited on the PSU and RSU awards that vested on December 31 2013 in excodance with the terms of the wards Thr; amounts in this column represent the number of shares acquired on vesting multiplied by S-19 14, tric closing pnee of Venzon s common stock on December 31, 2013.

3 The amounts in this column include S2,960,078 for Mr Mead and \$466,619 for Mr Stratton that were deferred under the Ven?on Executive Deferral Flan in 2014 when the amounts would h;/vo otherwise been paid

Effective June 3(*, 2006. Vurzon froze all future pension accruals under its management tax-qualified and nonquni-lied defined benoft pension plans Al) accma_Js under the Verizon Wireless defined bxmclit retireriun! plan (lat-cjualiffid and nonqualified) wore fiozen as of December 31. 2006 Lach ot the namnd executive officers other than Messrs Shammo and S' lailon is eligible for a dozen pension benefit

LI-til June- 30 2006 Mt Mich earned pension benefits under a cash balance formula tha! provided for retirement pay r.rt'dit' equal to bctwuyn four a-id seven pe'Ceu: (dupe id rity on ag.__ and service) of annual ehyibin pay for each year of service Under tin: cash oalancu formula a participant's account balance is also credited with monthly interest based uncen the prevail no market yields on octain U S Treasury obligations Eligible pay under till; Ven/on r/var sifter mm! Pe,rsi.'in Plan cons.sled of titl.- onjp. oyeebase salary and tin; shod-torin incentive award up to the IRS qualified plan ci ni i per is at im unter Person benuits to? all eligible pay mexiess uf the IRS limit wor; provided under the Vi.-n.t.-n IT/C'ss 1-VriMun Plan bated on It'n; cash balance formula At the turn.' thai ine la.x-quaVied a'id ronqualifin-c pension plans wen,- fiven to 'utu'e pension accruals un June 30, 2000 plan participants were provided with a one-tim; radd intonial 50 benofits as a transition matter

tie: employee of GIF Wireless Incorporated Mi Mead ea'ned a pension bencn! under the Vtm/cn Management en^ion Plan hasnd on the better of two highest ave.'aui? pay formulas The firsl formula was based

active to the properties of the average annual eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 115% accrual for eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 115% accrual for eligible pay wind the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security integration level and a 14% accrual above the social security with the Company For M McAdam. the 19 years of cellided service of cellid desiration of the 14% accrual above the social security with the company of the 14% accrual above the social security with the 14% accrual above the soci

accrue any additional benefits other than market-cased investment earnings or tosses on their individual accounts No new deferrals were permitted after 2004. Participants retain th' ability to invest their frozen accounts in the investment options available under the ESP. Participants in tha ESP do not receive matching contribution credits or retirement credit under the plan. The following lables shows the 2013 account activity for each named executive officer and includes each executives contributions, company, withdrawals and shirt buttons and the aggregate balance of h.s. total deferral account as of December 31, 2013 Nonqualified Deferred Compensation Executive Registrant (Agileria) (Contripil-Joris Lars FY? Lar-1F-Y3 OMhobions L.-s.ITVC Mari*.) (Contripil-Joris Linewish (Will-d-ark-lils) (Hyll-Will-d-ark-lils) (Hyll-Will-d-ark-lils)

pension plane and nonausilified deferred compensation plans, which are reported in the "Pension Benefits" and "Nonausilified Deferred Compensation" do ables above. Those benefits are not included in the summanes and tables below in addition, amounts earned under our 2015 Short-Term Plan awards and amounts earned under our 2011 Long-Term Plan awards are included in the summaries or tables below Annual amounts earned under our 2011 Long-Term Plan awards are included in the summaries or tables below Annual amounts earned under our 2011 Long-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 34-37 and are reported in the Opinior Exercises and Stock Vested table on page 44. If a named executive officiors employment had not a seed of the Compensation Discussion and Analysis on pages 38-40 and are reported in the Opinior Exercises and Stock Vested table on page 48. If a named executive officiors employment maintaid on December 31. 2013 for any reason other than tor cause, the Iuli amount of the 2013 Short-T erm Plan award and the Iuli amount of the 2011 Long-Term Plan awards in each case to the exent earned, would have been payable These amounts would be determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same as awards are determined and payable at the same and a same and payable at the same and a same and the same and the same and the foliation of the same and the

Milch, the later of the executive s attainment of age 65 01 15 year; of plan participation Retirement eligibility is generally defined as 57

having attained 75 points (age plus years of service) with at (east 15 years of service As of December 31. 2013. Mr Mead had attained plan matunty and would not have been entitled to receive any additional payments from Venzon

. with respecto this benefit if his employment had terminated on the List business day of 2013 Planning 2
(5)

(5)

Continued Health Benefits 1 fS)

¹ TsT*

Estimated Payments The following (able shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarify terminated without cause or terminated lor good reason on the last business day of 2013 and had incurred a qualifying separation under the Senior Manager Severance Plan Namo

Outplacement Services

10 000 10 000 10 000 10.000 3 780 000 3.255 000 3C45O00 2 814 000 24 700 37.057 37 057 37 057

m

182.534 181 859 134.B53 Mr McAdam Mr Mead Mr. Shammo Mr Stratton Mr Milch

i The amounts reflect Ven/on s estimated cost of providing medicaf, denial and vision coverage for two years

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2Mr McAdam did not participate in the financial planning program in 2013 and. as a result would not have been entitled to receive financial planning services if his employment had terminated on the last business aay of 2013 3 |f Mr Mead had retired on December 31. 2013, he would not have been entitled to receive additional company contributions because he had reached plan maturity as of that date

Potential Payments upon Death, Disability or Retirement

Under the terms of the executive life insurance plan, in (he event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Venzon to pay 3 portion of the annual premium until (1) m the case of Messrs McAdam, Mead. Shammo and Siratton, the laiest of the executive's attainment of age 65 or 15 years ol plan participation. If the named executive officer dies. Ins benefit if his employment had terminated on 'he last business day of 2013

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-I erm Plan award for the year m which the termination dale occurred, determined based on the actual level of achievement of tile performance onlinea under the Flort-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As desembed above, if the executive s employment terminates on the last day of the year for any treason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual of achievement of the performance catera under the Short-Term Plan award for the year for any treason other than for cause, the full amount of the Short-Term Plan award for the performance catera under the Short-Term Plan award for the year for any treason other than for the performance catera under the Short-Term Plan award for the year for any treason other than for the performance catera under the Short-Term Plan award for the year for any treason other than for the performance catera under the Short-Term Plan award for the year for any treason other than for the performance catera under the Short-Term Plan award for the year for any treason other than for the performance catera under the Short-Term Plan award for the year for any treason other than for the performance catera under the year for a performance of the year for any treason other than for the performance catera under the year for any treason other than the year for any treason other

In addition, upon death, disability or a qualifying retirement, each named executive officer would atso be eligible to receive financial planning services for ono year following termination on the same basis as provided to other senior executives, provided that they participated in the program in tho year 111 which their employment terminates Upon disability, tho named executive officers would also be eligible for disability benefits under tho tax-qualified and nonqualified disability plans

Estimated Payments The following table shows Venzon's estimate of the amount ct benefits the named executive

officers would have been en'niled to receive had tlieir employment terminated due to'dcath. disability or qualifying ""

■ reurement on the last business day of 2013 <u>8.026 000 163 157 163 157</u>

Mr Mr. A dam Death Disafilliry cmcnl 7 696 000 182 534 1B2 514 10 000 10 000 10 000 Mr Mearj Duath Disability Mr Shammo Death Dis anility

1.768.505 1O.C00 10 000 10 000 DinahiMy Retirement Disability

2 328.000 134.B53 134.853

1 In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount if any, represents the total amount of annual payments to tho named

1 in the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount if any, represents the total amount of annual payments to tho named executive officer to pay a portion of the annual permission of the event of the event of the terms of the executive in the terms of the executive in the terms of the executive officer on the terms of those programs on the last business day of 2013

If the event of death, the amount of the annual permission of the terms of those programs on the last business day of 2013

If the event of death, the amount of the terms of the term

Potential Payments upon Change in Control

Venzon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection With a change in control of Venzon. If line named executive officer's employment terminates in connection with or following a change in control, he would be eligible for the same benefits, if any, that would become payable to the executive upon his termination under the circumstances as desenbed above. Under tile Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon an involuntary termination of employment without cause, death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be paid on the As is the case to all package to a process of the capital case of the applicable award agreements, upon an involutional yellimination of employine with a case to all package, opean, issuancy or quantiying reutriement, each related executive officers is then unvested PSUs will vest and be paid on the regularly scheduled payment data effer the end of the applicable award cycle, but only if and to the extent that the applicable performance contena for the award arc achieved at the end of the applicable award cycle. but only if and to the extent that the applicable performance contena for the award arc achieved at the end of the applicable award cycle. However. Mr. McAdam's special PSU and RSU awards granted in 2011 will be forfeited rt Mr McAdam retires prior to July 31. 2016. Under the Long-Term Plan, a qualifying retirement generally means to retire after having altained at least 15 years of vesting service (as defined under the applicable evenzon lax-qualified savings plan) and a combination of age and yeats of vesting service that equals or exceeds 75 points As of December 31. 2013. Messrs McAdam Mead Shammo and Milch were retirement-eligible under the

in addition, undei the teims of the Long-Term Plan and the applicable aware agreements, if in Hie 12 months Ir-linwuirj a change in control of Ver.zon, a participant s employment is involuntarily terminated without cause all then unvested RSUs will vest arid be paid on the regularly scheduled payment date after the end of the applicable award cycle and all then-1 invested PSUs will vest at target level perionnance and be paid on the regularly scheduled payment date after the end of the applicable award cycle

Ur.der Vie Long-Term Plan, a chang*- in control of Verizon is genet ally ttelmed as :rx.' occLrrerce cf any of trV J oik wing

Any person becomes a beneficial owner of shares representing twenty peicr.-nt or more o' Verizon's outstanding vntmg stock,

Vijnzo**. consummates a merger, consolidation, reorganization or any other business comlimition. Or The Board adopts resolutions authorizing the liealdatior. or dissolution or sale of all or substantially all of Uu:

assets of Venzon

The amount of Venzon voting slock outstanding immediately before the transaction lopresents at least forty-five percent of the combined voting power of the corporation that survives the transaction, Vtnzon Directors constitute at least one-half of the boarc of directors of ihe surviving corporation.

Vtjnzons CCO rs the CEO of the surviving corporation, and The headquarters of the surviving corporation is located in New York. New York

Estimated Payments The following table shows the estimated value of the payouts that the named executive officeri. could have received in respect of their outstanding unvested equity awards it any of the following events occurred on the last business day of 2013 (1) a change in control of Venicon without a lennnation of employment, (n) a change meentiol of Venzon and an involuntary tennination of employment without cause and (m) a termination employment as a issult of an involuntary termination without cause, qualifying retirement, or death or disability The amounts represent ine estimated value of the RSU awards granted m 2012 and 2013 and in addition for MI McAdam. Ins spf-cial 2011 PSU and RSU awards, that would have been payable pursuant to the terms of the award agreements, calculated using the loial number of units (including outcomed only at (the time of wards only of the PSUs assuming) the award would vest at large volunt expension. The expension of the CSUs assuming the award would vest at large volunt expension. The expension of the Last business day of 2013.

1 Mr Stratton would not have been entitled to receive any amount in respect of his outstanding unvested equity awards upon retirement because he had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2013.

In 2013, each non-employee Director of Verizon received an annual cash retainer of \$100,000 Any Director who served on like Board for less than the full year received an amount pro-rated to reflect the portion of the year he or she served The Corporate Governance and Policy and Finance Committee persons received an additional annual cash retainor of \$15,000, the Audit and Human Resources Committou Charpersons received an additional annual cash retainor of \$20,000, and the Presiding Director received an additional annual cash retainor of \$15,000, the Audit and Human Resources Committou Charpersons received an additional annual cash retainor of \$20,000, and the Presiding Director received an additional annual cash retainor of \$15,000, the Audit and Human Resources Committou Charpersons received an additional annual cash retainor of \$15,000, and the Presiding Director received an additional annual cash retainor of \$15,000, and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presiding Director received an additional annual cash retainor of \$15,000 and the Presidi

In addition m 2013 the Board estaohstied a committee composed of Mr Pnee (Chairperson) Ms Keeth and Ms Tosija to assist the lioarri in responding to a shaioholder demand The Chairperson received a cash retainer of \$5.000. and each Commit ice member received a meeting lee of \$2.000 for each o' the three meetings held by inc Committee during 2013

ii grant of 3.0.10 Ven/on sharr- r.-quivafonfs valued af the closing A riuw Director who joins f 'ie Board loceive;; a ore-t. pnee on ihe date that the Director joins ihe Brxiid

All sham equivalents are nutural Tiahcally credited to the Director's deferred compensation account under the Verizon Executive Doicral Plan and invested in a hypothetical Verizon stock fund Amounts in the deferred compensation account are paid m a lump sum in the year following the year that the Director leaves she [Jean:

Under int Vcn/on Executive Deferral Pl::n. Dilectors may defer all or part of their annual cash retainer and meeting fees A Director may elect to invest theso amounts in 0 hypothetical cash account that cams a return rate ocual to the long-term high-grade corporate hond yield average as published by Moody a Investor Services or m the other hypothetical investment options available to participants in Venzon's Management Savings Plan rtnch is

ri-rsilies, \$1,000 per yea- of chantable coil able donations to designated disaster relief campaign:

Directors who served as directors or NYNF.X Corporation participate in a chantable giving program Under this program, innrn 3 participant wires from the Board ut attains age 65 (whichever occurs I,lier; or dies, one or more chant able contributions in the aggregate annual of \$1,000,000 arc made, payable in ten annual installments Directors who served as directors of GTE Corporator, participate m a similar program are financed through like

purchase of insurance of the file of each participant the charitable giving proximal size closed to future participant in 2015, the aggregate cost of maintaining and doministering the legacy chan-anie giving programs for all raticipants was \$62, 165

3/ Oil? ;:uc io i\$2'::? 0 33£ >:W e m:: iTi.i 7 s?? 1H

All Other Compensation

Deferred Compensation Earnings S (S) (0

Fees Earned or Awards Paid in Cash 1 2 IS) (S) (£!

Total (5) (">

(S) IfI)

Director Compens

ii) <J> W (a)

Non-Equity Option Incentive Plan Awards Compensation fl 313 17? 500

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- 1 Denotes a Chairperson ut a standing or special committee

 1 Th's column includes all fees earned or paid in 2013, whether the fee was paid in 2013 or deferred

 2 For each Director this column reflects the grant date fair value of the Director's 2013 annual stock award computed in accordance with FASB ASC Topic 718 For Ms Archambeau, this column reflects the grant date fair value of the Director's 2013 annual stock award computed in accordance with FASB ASC Topic 718 For Ms Archambeau, this column reflects the grant date fair value of 1147.780 that share equivalents award valued at \$12,500. which was prorated to reflect the portion of the year that she served on the Board, and includes the one-time grant of 3.000 Venzon share equivalents with the grant date fair value of 1147.780 that she received upon her appointment to the Board effective December 1, 2013, in each case based on the closing pnee of Venzon's common stock on the grant date for Mr Wasson, this column reflects the grant date lair value of \$140,160 that he received upon his appointment to the Board effective March 1. 2013, in each case based on the closing pnee of Venzon's common stock on the grant date The following riffects the aggregate number of option awards outstanding as of December 31. 2013 for each person who served as a non-employee Director during 2013 Sheliyo Archambeau, 3,254 and 0. Richard Camon 90,366 and 0. Melamo Healey, 11.07 and 0, M. Frances Keeth, 38,399 and 0. Roderid Camon 90, Sandra Moose. 80.085 and 0. Joseph Neubauer, 99,201 and 7.798. Donald Nicolaisen. 45,615 and 0. Clarence Otis. Jr. 44,994 and 0, Hugh Pnco, 70.160 and 0. Rodney Slater, 20.133 and 0. Redney Tresis 6.864 and 0. Rodney Nasson. 5.861 and 0.
- no. 131 and 0. Kathryn Tesjia. 6,646 and 0, and Gregory Wasson, 5,651 and 0. Card of the control of the control

Security Ownership of Certain Beneficial Owners and Management

Principal Shareholders

On March 3, 2014. there were approximately {XX} billion shares of Verizon common stock outstanding and each share is entitled to one vote. The foDowing table sets forth information about persons we know to beneficially own more than five percent of the shares of Venizon common stock, based on our records and information reported in filings with the SEC To the extent that information in the table is based on information contained in an SEC ffing, it is accurate only as of the date referenced in the firing On February 21, 2014 in connection with the Venizon Wireless transaction, we Issued approximately 1.27 billion shares, thereby increasing our outstanding common stock by approximately 45% As a result, il is possible lhat shareholders' percentage Interest in our outstanding common stock has changed significantly since that date.

Amount and Nature "of" " Percent of Class Beneficial Ownership

BlackRock Inc. 40 East 52" Street New York New York 10022 169.544.335

This information is based on a Schedule 13G filed with the SEC on February 10. 2014 by BlackRock Inc. setting forth information as of December 31. 2013 The Schedule 13G stales thai BlackRock Inc. has sole voting power with respect to 137.363.936 shares and shared voting power with respect to 17 014 shares and sole dispositive power with respect to 1he 169 527.321 shares and shared dispositive power with respect to 17.014 shares

Directors and Executive Officers

In the following table, you can find information shewing the number of shares of Venzon common slock beneficially owned by each of the named executive officers, each Director and all executive officers and Directors as a group as of January 31, 2014 "1 hs information includes shares held m Venzon's employee savings plans and shares that may be acquired within 60 days pursuant to the et erase of stock options and/or the conversion of certain slock units under deferred compensation plans The aggregate number of shares owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Venzon common stock Unless we have indicated otherwise, each individual and/or his or her family members) has or have sole or shared voting and/or investment power with respect to the secunilies Executive officers and Directors also have interests in other stock-based units under Venzon deferred compensation plans and stock-based long-term incentive awaids We have included these interests in tile Total Slock-based Holdings* column in the table below to show the total economic interest that the executive officers and Directors have in Venzon common stock.

322.191 46.164 73.686 53.197 76.131 1.296.685 434.4-92 410.817 378.090 345.210

Total Stock-based Holdings 2

3.254 91.626 11.007 38.399 48.982 80.085 145.348 45.615 47.984 70.218 20.131 6.646 5.851 4.734.567

Named Executive Officers Lowell McAdam* Daniel Mead Francis Shammo John Stratton Randal Milch 3.000 2.559

Directors: Shollyc Archambeau Richard Camon Melame Healey M. Frances Keeth Robert Lanu Sandra Moose Joseph Neubauer Donald Nicolaisen Clarence Otis, Jr. Hugh Pnee Rodney Slater Kathryn Tesija Gregory Wasson All of the above and other executive officers a* a group 3

811.605

* Mr. McAdam also serves as a Director.

1 In addition to direct and indirect holdings, the "Stock" column includes shares that may be acquired within 60 days pursuant to the conversion of RSUs granted in 2011 as follows. 109.531 shares for Mr. McAdam; 23,823 shares for Mr Mead; 44,360 shares for Mr. Shrammo, 33.779 shares for Mr. Stratton; and 39.119 shares far Mr Milch The 'Stock' column also includes shares that may be acquired within 60 days pursuant to the conversion of certain stock units under deferred compensation plans as follows: 12,771 shares for Mr Milch; 3.191 shares for Mr Camon, and 2.501 shares for Mr. Pnee Prior to conversion, the shares underlying the RSUs and deferred compensation units may not be voted or transferred. No shares are pledged as secunty

58

Holdings" deferred Total Stock-based "Stock" includes addition shares stock-based column incentive stock-based " Units compensation plane and long-term which may not be voted or transferred.

Section 16(a) Beneficial Ownership Reporting Compliance

SEC rules require that we disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements dunng calendai vear 2013

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CORPORATE GOVERNANCE GUIDELINES

The Board has adopted these Guidelines and the Committee Charters to provide a framework for tho functioning of the Board The Board will penodically review these matenuls and piactices in light of ongoing developments and the Corporation's needs fo determine whether any changes are requ

The business of the Corporation is conducted by management, undo' the direction of (he Board of (Directors The Board, and each committee of the Beard, has complete access to management In addition, the Board and each committee have access to independent advisors as each do appropnate

Strategic Planning and Management Development At least once a year, the Board conducts a strategic planning session with management The Board reviews succession planning and management development at least annually. The process includes consideration of organizational needs competitive challenges, the potential of key managers planning for future development and emergency situations

Executive Sessions The independent Directors of the Board meet at least twice each year m executive session of the independent Directors of the Board meet at least three times each year in executive session. Any Director has the noht to call a meeting or executive session of the independent Directors or of the non-employee Directors in at least one executive session, the Board assesses the process and effertiveness of the Board [including opportunities tor continuing educat.on and orientation of new Directors) and considers any other matters that the Directors request in an executive session of independent Dilectors. the Board receives the Human Resources Committee 5 report on the CEO's performance and compensation

Presiding Director. At or prior to the Annual Meeting of Shareholders, the independent members of the Board of Directors shall elect an independent Director Io serve as Plusiding Director until the next Annual Meeting, or until his or her successor is ejected and quad/ied. The Presiding Director shall elect an independent Director Io serve as Plusiding Director until the next Annual Meeting, or until his or her successor is ejected and quad/ied. The Presiding Director shall chair all executive sessions of the Board and all other meetings of the Board at which the Chairman is not present The Presiding Director may, in his or hei discretion, call a meriting <if the Board or an executive session of the Board, and shall call an executive session at the request of any other Director.

The Presiding Director, m consultation with the Chairman, shall review and approve the schedule of meetings of the Board, the proposed agendas and the materials to be sent to the Board. Directors shall have the opportunity to provide suggestions for the meeting schedule, agenda items and materials to the Chairman or the Presiding Director. Any shareholder or interested party may communicate directly with the Presiding Director-

Venzon Communications Inc Presiding Director

Board of Directors
140 West Street. 29 th Floor
New York, New York 10007
Co/mm/fees There aie three (3) standing committees of ihe Board Audt. Corporate Governance and Policy, and .

Human Resources The members of the Audit. Corporate Governance and Policy and Human Resources committees." will'be independent as required by law or regulation The Board may change the number of committees from time to time. The esconsibilities of each committee are set forth in its

charter, winch is approved by the Board and posted on the Corporation's website Each committee Chair approves the agenda and materials for each meeting and reports its actions and discussions to the Board as scon as practicable At least annually, each committee conducts an assessment oil Us charter and its processes and effectiveness

Membership- The Corporate Governance and Policy Committeei annually reviews and recommends the members and Chn.7 of each committee for approval by tfie Board The Committee pcr.odically considers Totaling Chairs and members of the committees

Nfcetriffs. Directors are expected to attend all meetings of the Board and each committee on which they serve Directors o'e provided with a copy of the proposed agenda sufficiently in advance of each scheduled meeting in order to have the opuortunity to comment on or make changes to the agenda Directors standing for election are expected to altend the Annual Meeting of Shareholders Board Composition and Director Qualifications

The Board will penodically assess the needs of the Corporation to determine the appropriate size of the Board At all times. 3 substantial ma.orty of the Board way to be independent and not more than two Directors will be current or former employees of Venzon Qualifications. A candidate must « Be ethical.

- Have proven judgment and competence
- Have professional skills ond experience in dealing with a large, complex organisation or in dealing with complex problems that are complementary to the backgiound and experience represented on tile Board and that meet the needs nt the Corporation
- Have demonstrated the ability lo act independently and be willing to represent the interests of all shareholders and not just those of a particular philosophy or constituency, and
- [ie willing and able to devote sufficient tune to fulfill his or her respo-isibihties lo Venzon and its shareholders

In assessing the appropriate composition of the Board, the Corporate Governance and Policy Committee also considers other factors that are relevant to the current needs of the Corporation, including those that promote diversity identification and Consideration of Candidates. The Corporate Governance and Policy Committee considers candidates proposed by members of the Committee, other Directors, management and shaleholders The Committee considers candidates lot re-election, provided that the candidate h3S consented to sland for re-election and tendered an irrevocable resignation to the Chairman of the Committee pnot to nomination each year. All candidates are evaluated tn the same manner. After the Committee has completed its evaluation, it presents its recommendation to the full Board for its consideration and approval in presenting its recommendation, the Committee also reports on other candidates who were considered but not selected.

Venzon will conduct an onentalion program for each new Director that includes, among other things, a review of the Corporaiion's business, financial condition, strategy, elhwraf obligations, key issues and otter relevant topics Independence. A Director is considered independent if the Board finds that the Director is independent under the corporate governance listing standards of the New Yorlc Stock Exchange and the Nasdaq Stock Market. In addition, in evaluating independence, the Board will not consider a Director independent if:

1 Within the past three years, the Director or a Member of the Director's Immediate Family has: * Been an employee of Venzon or a Venzon subsidiary ("Verizon")

- Received dunng any 12-month penod more than \$100,000 in direct compensation from Venzon (other than Director's compensation and other than pension or other deterred compensation for pnor service with Venzon);
- Been an executive officer of a company where at the same time a Venzon executive officer or executivo in compensation Band 1 (each a "Verizon Senior Executivo") served on the company's compensation committee
- The Director is retained under a personal or professional services contract by Venzon
- The Director is an employee, or a Member of the Director's immediate Family is an executive officer, of a company that has made payments to. or received payments from. Venzon in an amount that, m any of the past three years, exceeded the greater of SI million or o.ne percent of that ompany's consolidated gross revenues
- The Director is an executive officer of a lender lo Verizon and Venzon's outsort rig indebtedness lo like

lender in any of the past Ihiee- years exceeded one percent of trie lender's ou; siand:ng loans at the end c'. V-ie lender's fiscal year

1 The Director is an executive officer of a non-profit entity hat has receved contributions from Veulon or its Foundation that, in any of the past three years. c>f ecod one per cent of mat entity s (nr.sn1n::-itec:::ruus revenues (excluding matching gift contributions by Verizon's FouniMittur-I or G The Oitector has- any o' het lela' ionslup ibttt the Beam dele-nnrws is inconsistent v.-itM arohcal..!' laws and regulations on directors' independence or thai is likely to impair the Director's ahilily 10 art inaup'ndiliitly For purposes of these Guidelines exceed Immedrati' Kimiliv includes his or her spouse, parents, children, siolings mothers and fa-hc-rs-tn law sons and daught/.TS-l.n-l.iw, brotho's and sisters-in law and anyone (oilier than domestic employees) who shares the Director's home

An executive officer of a company on whose board n Venzon Senior Executive serves is not eliqible foi normn-tion as a new Director of the Corporation Related Person Transaction Policy Definition*. For purposes of this Policy, "fivialod Person 'moans

any peison who has served as a Director or a Venzon executive officer CGItieei-) at any time dunnw! the Corporation's last fiscal year,

any person whose nomination to become a Drector has bes'i presented in a pro>y itatomcni rol-_iT-r-.ci http://rol-_iT-r-.ci lo the election of Directors since the bogirm.no http://bogirm.no, ol ihe Corporation's i;, sl 'itcal yeor

any person who was at any time dunng the Corporation's last fiscal year an -Immediate Tamily Member' c>¹ any of the persons listed above Immediate Family Member means spouse child slencivic parent stepparent, rihling. mother-m-law. fatr.er in-law. son-m law. daughter-n-law brother-fn law or ;;;s:er-ir-.W.v of the Director. Officer or nominee, and any person (other than a li-jnant or employee) sr..-img the household cl such Director. Officer or nominenc, or

A>n tn IK- Cd'P'

any person w. wy ItT.mcdJio Fifn-ly Member o'. surli person v, be'sefiLial owner of rnoe:- triur, b percurl ol tee Ctvpcratic-n's sli df.fined below)

Related Person's Fimi' means any firm, corporation or other entity in which a H-LiUtm: F*-con is general partner or in wh ch all Related Persons together have a 10 perctht or more o-vru-i http://o-

Rriatod Perron Transaction " means a Transaction in which a Related Person is determined to have, had, or will ke a d.mr.t or indirect material interesi

bactions can present potential bactions can present potential bitwish shall be followed in connection Policy Statement: The Beard of Directors reconnizes that i- in (fic. 's o'. nN>rr.<): for me pe1.<-= prion :h,"rv(rf 1 :nci iheneforc tin with all Related Person Transactions revolving ':he Company

Process Annu.illy each Director and Officer shall submit to Ven.;on the rami.-' and employment atfilinton of his or her j:lifty.ed'ale Family Mertht.-rs and the name oi any Related Porsor's Firm with which an/ of them are affiliated Directois am: Oil ecu s'Kili ui'.ily Verizon promptly of any chariot*- to tins information bach Director and Officer shall also identity any Transaction thai iney. their Immeoiate Family Members or Hum Related Person Firms are oi will be involved in On an on;70ir.j bas -, Directors and Officer shall promptly advise the Committee of any changes to such Immediate Tamily Venib'r-*; Tiofisarlrons oi Related Peison Fim-S

Vi;;iia:ii:mcni shall sub'n.l Tiansaciions anu approbate supplemental information lo trio Corporate Governance and Pcit.v Cum'ii.liee for its review

Tni* Co'pol-te Governance atv: Pol cy Committee stull review Transactions ir, order lo determine whether a Transaction is fi Related Person Transaction 1 ne Committee shall take sucn action with respect to the Related Person Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as \textit{to the Related Person Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as \textit{to the Related Person Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as \textit{to the Related Person Transactum as it de-ems* rwi.ussary and appiopnate, under \lorentetrical verson Transactum as \textit{to the Related Person Transactum as \textit{to the ulturnstances. indudiliiq apptuval. dtsappnival. ratification. carK-ella; nn. cr a recultimeridation : u management Only disinterested members of the Committee, shall participate m Vio; e ue enininations In thu event it is not practical to convene a meeting of the Corporate Governance and Policy Committee; the Chair n' that Committee shall have the ugh: to make such determination and shall promptly report his or her determination in wnliny to the oihei members of thu Committee r limpi'ly"ont status or pnncipai responsibility lihe Director will tender a oveinanrp ana Policy Co-mr nteo will recommend to the Board whether lihe

Change in Status or Retirement

If a DniTtor retires or changes h.s of I ri-si-in.it on io Veuron The CO'po-nle n-sirjri.it http://n-sirjri.it on j.houla OO accepted

The Committi-.e shall import its ar. Hun with respect to any Related Peison Transaction to the Board of Directors

Service on Other Boards f.> Annual V.e'/luit: of Sfvirci-iiideis i-ext Inilc

A Dm---to- wfo serves as a'; t'.elutive olhoft of a public cumpany shrill nc. -^rvn on more lhan lhiee public cumpany bear oi, inriudinrj that o! Mis or her own comcany, and other Direct sir- should r.ot serve on mme ilvm six publn: company board! In ort./r rot to disrupt c'tsnng affiliations vntn othe- beards Director may rr-anzaiii current positions even il the nuTit!!.-r nf :https://documpany.eluci-is exceed these hrmts. unless Hit Boa.id-jtc-mnnos that pernttinr, the position to continjo- will uripj' trie rir.-;r (or s ab litty to M.-ive on the Ven^Oï Rnnrd Directors are mounted to allvise the Corporate Govt-mance. uio ricicy on this position is not in the position to continjo- will uripj' trie rir.-;r (or s ab litty to M.-ive on the Ven^Oï Rnnrd Directors are mounted to allvise the Corporate Govt-mance. uio ricicy on the conting is rivinity in the ille"ir.ershi; on other t-nafis

Retirement

'Transaction means any transaction _wvanaumem cr relationship with Vt.>vn. Corporation S larl fiscal year in an afliOi.n: greater than \$1.10 000 tha: involves -jr Related Person's ruin |; does not include

(a) compt.-isation ir; a Drector or Officer wh-ch is or v. proxy statement

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Within three years of joining the Board, each Director shall acquire, and continue to hold during ins or her tenure on the --Board. Verizon stock with a value equivalent to lhree times the cash component of (he annual Board retainer Shares held by the Director under any deferral plan are included in determining the number of shares held

Directors arc expected to act in compliance with these Guidelines, applicable laws and regulations, and the spin! of the Venzon Code of Business Conduct for employees Employee Directors arc also governed by Venzon's Code of Business Conduct

Conflicts of Interest A Director should ovoid situations that result or appear to result in a conflict of interest with Venzon A Director may be considered to have a conflict of interest if the Director's interest interferes or appears to interfere in any material way with the interests of Venzon, including if

- The Director, any Member of the Director's Immediate Family, or any company with which any of them is associated as an officer, director, five percent or more owner, partner, employee or consultant (i) is a five percent or more owner of, or (n) has any management interest in, any company that is in the same business as Venzon ('potential competitive interest"), or
- The Director offers gifts or other benefits lo or solicits or receives gifts or other benefits from another entity as a result of his or hci position with Verizon, or
- The Director has any other relationship that the Corporate Governance and Policy Committee believes is likely to result in a conflict of interest with Venzon

A non-employee Director is expected to advise Venzon prior to acquiring or continuing any interest or entenny into any transaction or relationship that may present a potential competitive interest. The Corporate Governance and Policy Committee, in consultation with the CEO and Chairman, will review and advise the Board as soon as practicable whether a conflict would be presented

Corporate Opportunities A Director should not take advantage of an opportunity to engage m a business activity that property belongs to Venzon, including any activity that is discovered as a result of the use of Venzon information or property or in connection with his or her service as a Director A Director stuuld nol use Venzon information, pioperly or his oi her posiiion with Venzon (or personal gam

Securities Transactions . A Director should not trade, or enable any other person lo trade, in Venzon's securities or the securities of another company while aware of material non-public information

Confidentiality Directors should maintain the confidentiality of information about Venzon and other entities which Venzon entrusts to them, except where the disclosure is authorized or required by law

Fail Dealing. Directors should act fairly in any dealings with the Corporation's stakeholders, including customers, suppliers, competitors, employees and shareholders

Waiver. No waiver of any provision of the business conduct and ethics requirements for a Director, or of any provision of the Verizon Code of Business Conduct for a Verizon Senior Executivo. may be granted without the approval of the Board of Directors. The Board is strongly predispor such waivers. However, in order to approve any such waiver, the Board must affirmatively find that the waiver does not violate any applicable law or regulation and that the waiver is in the best interests of the Corporation. In the event the Board approves a waiver, it will ensure that the waiver and the Board's rationale for granting the waiver are promptly disclosed, consistent with applicable legal and stock exchange requirements.

Verizon Senior Executives Serving on Outside Boards

A Verizon Sertor Executive must obtain approval from the Corporate Governance and Policy Committee in advance of accepting any new membership on the Board of a public company. Venzon Senior Executives may not serve on the Board of more than two public companies other than Venzon

A Venzon Senior Executive wilD not accept a new directorship with a company if the CEO or other executive officer of that company is serving as a Director of Venzon. Shareholder Communications with Directors'r-

11 a shareholder wishes to communicate directly with the Board, a Committee of the Board or with an individual Director, he or she should send the communication lo

Venzon Communications Inc
The Board of Directors (or Committee name or Director's name, as appropriate] 140 West Street, 29 th Floor New York. New York 10007

Venzon will forward all shareholder correspondence about Venzon to the Board. Committee or individual Duoctar(s) Policy on Adoption of Shareholder Rights Plans

The Corporation does not currently have a shareholder nghts plan, or "poison pill," and the Board currently has no plans to adopt such a plan However il the Board is presented with a set of facts and circumstances which leads it to conclude that adopting a nghts plan would be m the best interest of shareholders, it will seek prior shareholder approval unless the independent Directors, exercising their fiduciary duties, determine that such submission would not he in the best interests of shareholders under the circumstances if any nghts plan is adopted without prior shareholder approval, it will be presented to shareholders withm one year or expire within one year without being renewed or replaced Any plan adopted by the Board will also contain a "sunset" provision, providing that shareholders will have the opportunity to ratify or reject the plan every three years following the date of initial shareholder approval

Effective with the Corporation's 2009 Annual Meeting of Shareholders, a management proposal related to executive compensation in the form approved by the Board of Directors will be submitted annually to shareholders for a non-binding vote

included in the Related Dow Peers for 2013 compensation purposes, and their market capitalization as of December 31, 2013, as reported by Bloomberg, and net income attributable to the company, revenue and total employees, as of each company's most The following chart lists the companies includer recent fiscal year-end as reported in SEC filings.

Company Nei Income Market Revenue IJ Millions) Lmployner. Attributable to Capitalization Company (5 Millions) (93 300

1; 385 Alcoa

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Rank of America 160 072

Caterpillar		57 IS7I
CenturyLrnV		16.826
Chevron		240 224
CisCC Systems		119 975
Cccfl-Co la		1821??
Contrast		134.9fl
DuPonI(b*I)	I GOIOfei	
Exxon Mobil		442.0i,'4
General Electric		283.590
Hcvtliitt-Piichaid		53 409
Home Depot		115 953
IBM		2U3 b7<
Intel		129 022
Johnson & Johnson		258.41b
JPMorgan Chase.		219 837
McDonald s		96.548]
Mcrfk		146 ?4 3
Microsoft		31?2!Sfi
Prize*		1S8 515j
Proc'or & Gamble		221 251)
SDnrisNuirteJ		.2 27:
Time Warner Cable		36.19^
Travelers		32 V <j< td=""></j<>
UnitcriHoailh		7:- eu&l
United lcc*;>olO!iies		lit- 4 21!
W.i i.M.i rt		254.623'
Walt Oisncy		13-1
Von ";r>n		M0 G?6
Verizon's Ranking	15	

Year Ended December 31.
Reported Net Income Attributable to Verizon msc Tran
n cn Spcrt r-http://Spcr.tr> i
■ The after-

■ In earner
Sovirrance, Pension and Benefit Credits Gam on Spectrum License Transaction • Wireless Transaction Costs Adjusted Net Income Attributable to Verizon icton ammunifid to \$47.8 million

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Adiusteri EPS Rcconciliniir.

Year Enuod Dec.embc 31,
Reported EPS
Severance. Pension and Benefit Credits Gain on Spectrum License Transaction Wireless Transaction Costs
Adjusted EPS

Note EPS may not acd due to rounding

Free Cash Flow Reconciliation

Year Ended December 31.

Not Cash Provided by Operating Activities
Less Capital Expenditures linclud/.tnj capitalized sottwaii) Free Cash Flow

(dollars in billions) 2013



11 5 (? 9)

(dollars in billions)

S 38 8 16 6 2013