

November 27, 2023

Dear Friends,

I find myself filled with deep gratitude as we close this season of Thanksgiving and move into the season of Advent. I am grateful for the assurance of His coming, in light of continuing unrest around the world, the wars in Israel and Ukraine, the threat of China, Russia, and Hamas, and the economic distress experienced by so many.

Even so, this was another year of God's blessing of CEA and our work. By His grace and your generosity, we had several significant achievements this year in our efforts to represent you well.

Legal and Regulatory

As you likely recall, we had a great legal victory in May last year when we won a Preliminary Injunction in the U.S. District Court in Bismarck, North Dakota in our case against the Equal Employment Opportunity Commission (EEOC) and the U.S. Department of Health and Human Services (HHS). The EEOC and HHS mandates coerce for-profit and nonprofit employers and healthcare providers to either pay for or perform gender-transition surgeries, procedures, counseling, or other treatments — all of which are in direct violation of their deeply held religious beliefs. Our lawsuit, Christian Employers Alliance v. Equal Employment Opportunity Commission (CEA v. EEOC), clarifies that the EEOC — which exists to enforce federal workplace laws, guidelines, and regulations — is misinterpreting and improperly enforcing Title VII's definition of sex-based discrimination. As such, the EEOC is improperly compelling religious employers to pay for health insurance coverage for gender transition surgeries, treatments, and more. CEA v. EEOC also challenges a similar mandate being enforced by HHS, which improperly reinterprets "sex" in the Affordable Care Act ("ACA") to include gender identity. In doing so, the agency is forcing religious healthcare providers to physically perform, facilitate, or promote gender-transition surgeries and procedures that are contrary to their deeply held religious beliefs and expert medical judgment or face crippling fines.

While the Biden Administration appealed the decision, we learned in July that they had removed their appeal and were willing to work toward a settlement with CEA. We are grateful for our Alliance Defending Freedom (ADF) attorneys who are working diligently to settle the case with a <u>permanent</u> injunction to protect our members' constitutional right to live out their faith publicly in the way they run their businesses and care for their employees, not just privately in their homes and churches. In fact, we learned mid-November that Judge Traynor declined the





Administration's request to continue the case indefinitely, instead telling them to file their reply to the Summary Judgment motion by November 30! We are hopeful of a permanent injunction in our favor early in the New Year.

We also stood on your behalf in filing formal comments to two proposed regulations and one Guideline that could impact Christian business owners.

In April, we <u>wrote</u> to the U.S. Departments of the Treasury, Health and Human Services, and Labor regarding the <u>Coverage of Certain Preventive Services Under the Affordable Care Act</u> (the <u>Contraceptive mandate</u>.) We requested the Departments to clarify that there is no obligation to inform employees about the availability of the proposed "individual contraceptive arrangement," which would violate the religious objections of our members to providing services that could end the life of an unborn child. This was not academic for CEA's members. Supporters of the individual contraceptive arrangement have suggested that the Departments require entities to inform employees about the availability of abortifacients through the program.

In October, we wrote the Chair of the Equal Employment Opportunity Commission (EEOC) to express our opposition to the proposed regulation concerning the Pregnant Workers Fairness Act (PWFA), which was enacted to support pregnant women, not to promote abortion. The EEOC's proposed rule jeopardizes supportive work cultures for pregnant women by forcing employers to facilitate and promote abortions. First, the rule's inclusion of abortion threatens to chill the free speech of employers expressing pro-life messages, such as messages supporting the Dobbs decision or encouraging adoption over abortion. Second, the rule lacks any conscience and free-speech exemptions, and the EEOC seems intent on forcing religious employers to go to court to assert any religious liberty protections. Third, the rule could make pro-life and religious organizations retain employees who unapologetically have abortions, even if their behavior violates the organizations' pro-life or religious beliefs and tenets and even if the primary reason the organization exists is to protect life. Fourth, the rule's inclusion of abortion could force employers to give employees special privileges for the act of seeking elective abortions, such as extra leave, remote work, or working from other states. Fifth, the rule introduces confusion by not requiring a worker to have a present or recent pregnancy to get PWFA protections. Moreover, the rule seemingly includes non-female employees, such as males who identify as female, since the rule uses plural "they/their" pronouns to refer to a singular pregnant worker. Additionally, during the debate of the Act, Legislators explicitly disavowed a pro-abortion interpretation, and no member of Congress contradicted them. This Act was written for the added protection of women experiencing complications or concerns related to their pregnancy or delivery. For the EEOC to propose regulations addressing abortion is completely ultra vires, i.e., beyond their legal authority.





Finally, we <u>wrote</u> comment concerning the Equal Employment Opportunity Commission's (EEOC) <u>Proposed Enforcement Guidance on Harassment in the Workplace</u>. According to the Guidance, "sex-based harassment includes harassment on the basis of sexual orientation and gender identity, including how that identity is expressed. Examples include ... harassment because an individual does not present in a manner that would stereotypically be associated with that person's gender; intentional and repeated use of a name or pronoun inconsistent with the individual's gender identity (misgendering); or the denial of access to a bathroom or other sex-segregated facility consistent with the individual's gender identity."

Could an employer be liable for a hostile work environment because it takes a position that the biblically based understanding of sexuality is correct? If so, this raises significant concerns under the First Amendment's freedoms of speech and religious exercise, the Religious Freedom Restoration Act, and the EEOC's statutory authority to engage in enforcement consistent with this Guidance. Additionally, we asked the EEOC to clarify:

- Could an employer be liable for a hostile work environment for "misgendering" an individual by using a pronoun matching their biological sex, or by their previously given name?
- Could an employer be liable because it objects to speaking falsehoods about sex being male or female, or because it objects to forcing its employees and visitors to speak those falsehoods?
- Could an employer be liable under this standard for having locker rooms, showers, bathrooms, and other facilities separated by sex without regard to gender identity? If so, this raises the same First Amendment concerns discussed above.

We respectfully requested the EEOC to withdraw the Guidance, that any future Guidance issued on this topic consider the overriding free speech and religious exercise interests, and that the EEOC assess and take steps to prevent the negative impact on employers with sincerely held religious convictions who are seeking to live out their faith in the workplace.

We are working diligently to stay abreast of all such threats to your business and your religious liberties. We cannot do this without your generous financial support. Please consider a special year-end gift to help us start 2024 stronger than ever!





Member Services

We believe every Christian-owned business should be a part of the Christian Employers Alliance. So, we added Jason Dudziak to our team this year as our Membership Manager. We have increased our efforts to build awareness across the country and in several ways. Our multifaceted approach included participating in conferences, asking members and like-minded organizations for referrals, and increasing our direct outreach via phone, email, and social media marketing campaigns. We have directly contacted over 2,000 Christian business owners this year. Add our indirect reach extends far beyond thanks to sponsorships, strategic social media campaigns, and participation in business conferences.

To assist us with our growth plan, we added two (2) new **partnerships** this year to round out to thirteen (13) partners to better serve you: <u>Fellowship of Christian Companies International</u> (FCCI) and <u>Good Comma Editing</u> (GCE). Please contact Jason Dudziak for more details as to the features and benefits of this role if your business is interested in joining the growing list of Partners.

Considering all these combined efforts, we had another exceptional year, seeing 30% growth in membership! That success brings our total results to over 300% membership growth since 2021. Of the prospective members we have contacted, many are still deliberating investment, taking into consideration the current economy. The most fruitful source of new members has not been the cold calls, LinkedIn outreach, or conferences.

The greatest impact has been from Member referrals. When you tell a friend about CEA — and make a connection to and for us — these leaders tend to join. So, thank you! May we boldly ask for your continued involvement to grow in 2024 and beyond?

AFFILIATEPRO PROGRAM

Another addition this year was creating the **AffiliatePro status**. This new program is different than membership in that the traditional member is a Christian-owned business. The AffiliatePro is a scaled-down membership that allows Christian professionals who work for secular organizations to become involved with CEA, yet without their company participating. The professional still agrees with our Statement of Faith and Ethical Convictions and is rigorously vetted like all members to ensure values alignment. Starting in 2024, we will feature Members and Affiliates in our members-only emails, monthly newsletters, and on our member portal.





CATEGORY	SILVER STATUS	GOLD STATUS	PLATINUM STATUS
MONTHLY DUES	\$35	\$50	\$ 75
WEEKLY EMAIL	Affiliate Access	Affiliate Access + Bio (highlight; Professional Expertise Section)	Affiliate Access + Bio + Featured Article
MONTHLY WEBINAR*	Affiliate Access	Affiliate Access + (Sponsor Ad)	Affiliate Access + (1x/Yr Presentation)
NEWSLETTER	Affiliate Access + Dist. List	Affiliate Access + Dist. List + Bio Listed	Affiliate Access + Dist. List + Feature Guest Article
INVITATION TO SUMMIT	Yes	Yes	Yes
MEMBERSHIP FEE CREDITS	One Month Credit When Referral Joins	One Month Credit If Prospect Becomes New Member	10% Credit for Prospect Meeting. One Month Credit if Prospect Joins.
AFFLIATE PORTAL PAGE*	N/A	Featured List	Featured List with Bio
FFILIATE RECOMMENDATIONS*	N/A	Recommended Professional	Recommended Professional + Lead Introductions

We will invite those who have the highest level of commitment/engagement to share their knowledge during one of our monthly webinars.

Do you know a professional who should be involved with CEA through our *AffiliatePro* program, (i.e., attorney, insurance consultant, CPA)? Please encourage them to complete the *AffiliatePro* application and Jason can walk them through how to get involved.

CEA CONCIERGE PROGRAM

Finally, we are developing a new program to support our existing members and attract new ones. The *CEA Concierge* program is a package of benefits and services from *CEA-vetted vendors that are willing to offer preferred pricing to CEA members.* These services would include message crafting and editing, HR consulting, recruitment, legal guidance, and more. The goal is to create greater incentive for businesses to join, provide an opportunity for CEA





members to highlight and share their products, services, and expertise, and to deliver CEA members preferred pricing for these quality services. If you would like your business or organization to be involved, please contact Jason Dudziak. We are still interviewing vendors to highlight.

We also took steps to reach unreached groups of Christian-owned businesses. Earlier this year we added <u>Spanish</u> translation to CEA's website, including the Home page, the About page, the Membership application, and CEA's *Statement of Faith and Ethical Convictions*. If you know Spanish-speaking Christian business owners, please share this opportunity with them.

Communications

To undergird our membership growth initiatives, we expanded our social media and communications outreach. You can now follow us on <u>LinkedIn</u>, <u>Twitter/X</u>, <u>Facebook</u>, <u>Truth Social</u>, <u>Gettr</u>, <u>Rumble</u>, and now <u>YouTube</u>. In 2024, we hope to add Instagram to reach additional audiences and demographic segments.

By far our strongest outreach continues to be our weekly email and monthly newsletter communications. We had a strong showing to a full calendar of webinars hosted throughout the year and leading up to the annual Summit. We have webinars already built out for 1Q24, so please be sure to register and share.

Our 2023 webinars covered various issues important to both our members and prospects:

- No Shirt, No Shoes, No Woke, No Service: Viewpoint Discrimination in Virginia, with Victoria Cobb, president of The Family Foundation of Virginia.
- <u>Tackling DEI+B in Your HR</u>, with Dr. Carol Swain, an award-winning political scientist and former tenured professor at Princeton and Vanderbilt Universities, and Real Unity Training Solutions founder.
- <u>Does Your Business Test ESG Positive?</u> with Jerry Bowyer, a "leading thinker in finance and economics" according to Faith Driven Investor.
- Are You Leaving Money on the Table? Applying the Employee Retention Tax Credit to Your Advantage, with accountant Michael Hanf.
- How Well Do You Know Your Hiring Rights? with HR specialist Amy E. Fineman of InHisNameHR.
- <u>Tricky Topic Series: Have You Pronoun-Proofed Your Business</u>? with Brad Dacus, Pacific Justice Institute president and CEA partner.
- <u>Latest Freedom Economy Index Survey Proves Resiliency of Freedom Economy</u>, with Andrew Crapuchettes, CEO of RedBalloon.work, and Michael Seifert, CEO of Public Square.





Relative to our 2024 Communications strategy, we will reach out in January to survey what is the best method of alerting you to time-sensitive member actions. For instance, do you check Signal often? Is text messaging the most efficient? We want—and need—to hear from you.

Fall Summit

Our Fall Summit theme this year was **RESOLUTE**, i.e., admirably purposeful, determined, and unwavering, based on I Corinthians 15: 57-58, "But thanks be to God, who gives us the victory through our Lord Jesus Christ. Therefore, my beloved brothers, be steadfast, immovable, always abounding in the work of the Lord, knowing that in the Lord your labor is not in vain."

We had a lovely time at the Museum of the Bible with fabulous speakers who educated, encouraged, and challenged us to live faithful lives of purpose. We appreciated our sponsors ADF, Business Bible, City Serve, C12, Convene, First Liberty Institute, First Southern Bank (UTG), Good Comma Editing, Heritage Foundation, IACE, Liberty University, and Red Balloon.

We are highlighting clips from our keynote speaker, Os Guinness, on our website, and will continue to roll out clips of other speakers in the coming days.

Finally, one of the governance issues we addressed this year was to apply for Evangelical Council for Financial Accountability (ECFA) approval. This is the good housekeeping seal of approval for Christian organizations seeking to honor God in how they manage their ministries and finances. You can give with confidence knowing we are working to manage the resources you share as faithful stewards, just as you seek to manage your own finances.

Giving Opportunities

Simply put, our financial year-end goal is \$200,000.

We realize you have numerous opportunities to financial support organizations at year's end. We humbly ask you to consider CEA in your giving plan and donate as you feel led. Regardless of the size of gift, every dollar contributes to the goal and will be well-stewarded.

#Gifts	Amount	Total
1	\$50,000	\$50,000
5	\$10,000	\$50,000
10	\$5,000	\$50,000
10	\$2,000	\$20,000
20	\$1,000	\$20,000
20	\$500	\$10,000
66		\$200,000

EXAMPLE: Your gift can add to the goal!





Here are three easy ways to give:

- 1. **Online:** Donors can use our **secure** <u>donation portal</u>. (MEMBERS: While online, please add your Glamour Shot to our Membership Directory. Contact Jason if assistance is needed.)
- 2. Snail Mail: Mail your donation to CEA, 6101 Associated Blvd., Suite 101, Everett, WA 98203.
- 3. Donor-Advised Funds: We encourage you to give through your donor advised fund if you have one to protect your anonymity. Donors can make a transfer or gift to the CEA fund at National Christian Foundation (NCF) and proceeds in the fund will go to support CEA.

Once again, thank you for standing with us as we stand for you. None of our work would be possible without the generous and prayerful support of our members.

We pray for God's continued protection and blessing of you, your family, and your business!

Warmly,

Shannon O. Royce, JD

President

Christian Employers Alliance

