UNITE HERE Local 25 and Hotel Association Of Washington, D.C.
Group Legal Services Fund

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DRAFT

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF
UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON, D.C.
GROUP LEGAL SERVICES FUND
HELD ON JULY 19, 2012
WASHINGTON, D.C.

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene - Secretary-Treasurer
Stephanie Steer	Joel Manion

Also present were:

Anne Mayerson - Bredhoff & Kaiser, PLLC
Jenifer Cromwell - Bredhoff & Kaiser, PLLC
Fredric Singerman - Seyfarth Shaw, LLP
Tyler Geiman - Novak | Francella, LLC
Ellen Odell - Calibre CPA Group, PLLC
Justin Sergeant - Calibre CPA Group, PLLC
Anne-Marie Sims - Associated Administrators, LLC
Karen Walsh - Associated Administrators, LLC

I. CALL TO ORDER.

Mr. John Boardman reported that Ms. Stephanie Steer and Ms. Linda Martin would be appointed as the Union Trustees, replacing Ms. Boatwright and Ms. Kassa. He directed the Administrative Manager to obtain resignation letters from Trustees Boatwright and Kassa and send a letter thanking them for their service to the Fund.

He further reported that Ms. Martin had given him her proxy votes for all matters to come before the Trustees during this meeting.

A quorum being present, Chairman Boardman called the meeting to order.

II. MINUTES

Board Meeting, March 29, 2012

Ms. Sims reported that she had received no further comments on the draft of the subject minutes which had been circulated prior to this meeting.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED that the minutes of the Board meeting held March 29, 2012 are approved.**

III. INVOICES

Ms. Sims presented a list of invoices dated July 19, 2012. It was noted that there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED that the invoices set forth in the list dated July 19, 2012 are approved for payment.**

IV. AUDITOR REPORT

A. Financial Statements for years ended December 31, 2011 and 2010

Mr. Geiman of Novak | Francella, LLC ("Novak"), distributed copies of the Financial Statements for years ended December 31, 2011 and 2010, a copy of which is attached to and made a part of these minutes as Exhibit A. He confirmed that the audit included an unqualified opinion of the financial statements of the Fund, and he presented the report in detail. Mr. Geiman reported that the Forms 990, 5500 and Financial Statements would be filed under extension.

V. PAYROLL AUDITOR REPORT

Ms. Ellen Odell of Calibre CPA Group, PLLC ("Calibre") distributed copies of the "Legal Fund Compliance Audit Program Status Report as of March 21, 2012," and reviewed the report in detail. A copy of the report is attached to and made a part of these minutes as Exhibit B.

Ms. Odell reported that Calibre recently completed the payroll audit of the Jefferson Hotel. A small underpayment was noted because the employer failed to report the first pay periods after the Hotel reopened. Additionally, she noted that the Employer is requesting credit on a large overpayment for the period March 2007 through December 2011 due to reporting the wrong pay type to the Fund. The Employer calculated the overpayment based on all payroll hours for the period, minus the hours that no contributions were due, and minus reported hours for the entire audit period. This equaled the variance in hours that shouldn't have been reported. Ms. Odell reported that a net credit of $826.26 was requested and that Calibre agreed with their findings. After discussion, the Trustees referred this issue to the Finance and Collections Committee.

Ms. Odell reported that the Madison Hotel was unwilling to send its original payroll records for the period January 1, 2009 through December 31, 2011 to Calibre's Washington, D.C. office and requested that the audit be performed in the New York office where the records are kept. She explained that a new management group took over the Madison Hotel on January 20, 2011. Ms. Odell said that in order for Calibre to conduct the audit in New York, additional audit fees of up to $1,000 would be charged. Mr. Boardman requested that Co-Counsel review the Collection policy to determine if the Fund can require the Employer to pay for the additional payroll audit fees due to the extraordinary circumstances. After discussion, the Trustees directed that the period for the audit be changed to January 1, 2009 through December 31, 2010 to coordinate with the date of new management, and referred this issue to the Finance and Collections Committee. Mr. Singerman requested that the issue be summarized in writing for the Committee.

Ms. Odell reported that the Woodner Hotel was also unwilling to send its original payroll records for the period January 1, 2003 through December 31, 2009 to Calibre's

Washington, D.C. office and requested that the audit be performed in the New York office where the records are kept. Ms. Odell said that in order for Calibre to conduct the audit in New York, additional audit fees of up to $1,000 would be incurred. Mr. Boardman stated that, due to the small number of Participants, he would contact the Woodner Hotel and request two to three years of records so that Calibre can extrapolate data. The Trustees said that if the Employer was unwilling to provide the data, Co-Counsel will determine if the Fund can require the Employer to pay for the additional payroll audit fees due to the extraordinary circumstances. After discussion, the Trustees referred this issue to the Finance and Collections Committee.

Ms. Odell reported that, in the course of the audit of Washington Marriott Wardman Park, the Employer advised Calibre that it pays contributions for steady and extra banquet waiters based on five hours per function, capped at 40 hours per week. The Trustees referred this issue to the Finance and Collections Committee.

Ms. Odell reported that, in the course of the audits of the Omni Shoreham, Hyatt Regency and Capitol Skyline Hotels, it was determined that these Employers were utilizing temporary agencies for "covered work" and the hours were not reported to the Fund. The Trustees referred this issue to the Finance and Collections Committee.

Ms. Odell was asked to ensure that, in the future, the list of active compliance audits shows all audits that have not been closed out, including open audits that have been referred to the Administrative Manager or Co-Counsel.

The Trustees thanked Ms. Odell for her presentation and she was excused from the balance of the meeting.

VI. PAYROLL AUDIT COLLECTIONS REPORT

Ms. Sims referred to the Payroll Audit Collections Report dated July 26, 2012 included in the meeting book. A copy of the report is attached to and made a part of the minutes as Exhibit C. Ms. Sims reviewed the report, which confirmed the results to date of the collection of payroll audit deficiencies after receipt of the audits from Calibre and before referral of unpaid billed deficiencies to the Fund's Collection Counsel.

VII. COLLECTION COUNSEL REPORT

Ms. Sims reported that Mr. Dan Katz and Ms. Ellen Ranzman were unable to attend the meeting, but that there were no collection matters requiring Board action.

VIII. PROVIDER REPORT

First Quarter 2012 Utilization Report

Ms. Sims reviewed the First Quarter 2012 Utilization Report as provided by Mr. Paul Regan of Regan Associates, Chartered, contained in the meeting booklet. A copy of subject report is attached to and made a part of these minutes as Exhibit D.

IX. ADMINISTRATIVE MANAGER REPORT

A. First Quarter 2012

Ms. Sims presented and reviewed the First Quarter 2012 Administrative Manager's Report, a copy of which is attached to and made a part of these minutes as Exhibit E.

X. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting to be held October 18, 2012, at the offices of the UNITE HERE Local 25, commencing at approximately 10:00 a.m., immediately following the adjournment of the Hospitality Industry 401(k) Board meeting.

XI. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,
Solomon Keene
Secretary-Treasurer

AMS/klw
(Orig. 07/22/12)

Attachments:
Exhibit A: Novak | Francella, LLC Financial Statements for years ended December 31, 2011 and 2010
Exhibit B: Calibre CPA Group, PLLC: Compliance Audit Program Status Report as of July 19, 2012
Exhibit C: Associated Administrators, LLC: Payroll Audit Collections Report as of July 2, 2012
Exhibit D: Regan Associates: First Quarter 2012 Utilization Report
Exhibit E: Associated Administrators, LLC: Administrative Manager Report, First Quarter 2012