MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held by Conference Call
on February 14, 2019

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC

The call commenced at approximately 12:30 p.m., following the Finance Committee conference call.

Payroll Auditor
The Trustees discussed the payroll audit proposal of Novak|Francella that was previously received and circulated pursuant to their request following the January 24, 2019 Board of Trustees meeting to solicit such a proposal. After discussion, the Trustees agreed to accept Novak|Francella's proposal for payroll audit services and to terminate the services of Calibre. They requested that Ms. Sims and Counsel solicit from Mr. Geiman of Novak|Francella recommendations as to how to handle the transition and report back to them.

Status of Prudential Outreach re Participant Education
Anne Mayerson reported that Prudential has advised that it reached out to the Omni Shoreham (Franklin Hearl) and Gaylord (Dionne Travis) regarding scheduling an on-site participation education session via email on Monday and has not yet had a response. Prudential reached out to the business agent at the St. Regis (Doris Hooks) by phone on February 8 for a contact at the St. Regis, but has not had a response. Mr. Boardman asked that Prudential follow up with him if there is no response within a week of the first contact.

Disbursement Process
Ms. Mayerson reported that Prudential is willing to process distributions without sending them to Local 25 or to the Fund Office for approval on behalf of the Plan, provided that the Trustees agree that Prudential has no liability for unauthorized distributions if (a) Prudential has confirmed from the participant's last contributing employer that he or she has terminated employment, and (b) the participant has signed the distribution form including the statement that he or she has ceased

employment with all current or former contributing employers. The Trustees approved this approach.

Late Contributions

Ms. Mayerson reported that she and Fred Singerman recommended amending the late penalty policy (currently $40 for each late payment, or $100 for each late payment if there were also late payments for any payroll periods ending in the previous month) with a flat $40 penalty for each late payment, plus $10 for each full month that the late payment remains outstanding. Ms. Mayerson explained that the current escalation of late payments based on prior payroll delinquencies is not an effective deterrent because the employer does not receive immediate notice of delinquency. Moreover, the penalty does not distinguish between delinquencies paid off quickly versus delinquencies that last an extended period. The Trustees approved this change, and asked co-counsel to update the collection policy accordingly.

Ms. Mayerson reviewed with the Trustees the list of 2018 late contributions made to Prudential (or due to Prudential but not yet paid). She noted that the list does not include contributions payable for the transition period and received during the grace period to which the Trustees had tentatively agreed to reflect transition to Prudential; that is, contributions due during the transition period and received by May 22, 2018, in accordance with the Trustees' previous instructions. The Trustees noted that employers' payroll processes are generally not flexible enough to be triggered by a specific date (i.e. the end of the blackout period) that does not correspond to a payroll period end date and decided to extend the grace period to contributions due during the transition period and received on or before June 1, 2018.

Mr. Boardman offered to contact the Marriott Wardman and the Madison concerning their ongoing late payments.

Ms. Mayerson reported that Prudential has confirmed that there was no gap in contributions between the last pay period for which contributions were remitted to Principal and the first pay period for which contributions were remitted to Prudential. She said that Novak|Francella is currently calculating 2018 delinquent contributions made to Principal (that is, before April 13, 2018).

Department of Labor Investigation

Mr. Singerman reported on the status of the Department of Labor investigation. The auditor is still reviewing documentation received by Principal. He reminded the Trustees that, while the Principal reports include the pay period end date, they do not include the pay date, and that Anne-Marie Sims had previously advised that the pay date is five business days following the pay period end date. Mr. Boardman confirmed that this remains the case. Mr. Singerman said that he would make this point to the DOL agent.

The call was concluded at approximately 2:00 p.m.