

**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 MARCH 29, 2012
WASHINGTON, D.C.**

The following Trustees were present:

UNION TRUSTEES

John Boardman - Chairman

EMPLOYER TRUSTEES

Solomon Keene - Secretary-Treasurer

Stuart Damon

Joel Manion

Also present were:

Anne Mayerson - Bredhoff & Kaiser, PLLC
Fredric Singerman - Seyfarth Shaw, LLP
Tyler Geiman - Novak | Francella, LLC
Ellen Odell - Calibre CPA Group, PLLC
Paul Regan - Regan and Associates, Charter
Justin Sargent - Calibre CPA Group, PLLC
Anne-Marie Sims - Associated Administrators, LLC
Ryk Tierney - Associated Administrators, LLC

I. CALL TO ORDER

Mr. John Boardman confirmed that Union Trustees Ms. Boatwright and Ms. Kassa had given him their 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, December 16, 2011

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 December 16, 2011 are approved.

III. TRUSTEE WEBPORTAL

Ms. Sims provided an overview of the new Trustee Web Portal created by Associated Administrators, LLC. She explained that a secure portion of the Associated Administrators' website had been established to allow the Trustees to access meeting materials online in advance of scheduled meetings.

IV. INVOICES

Ms. Sims presented a list of invoices dated March 29, 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 March 29, 2012 are approved for payment.

V. PAYROLL AUDITOR REPORT

Ms. Ellen Odell and Mr. Justin Sergeant 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 A.

Ms. Odell reported that Calibre recently completed the payroll audit of the Omni Shoreham Hotel. She reported that the employer failed to report new employees from the date of hire, failed to report the pay period ended April 30, 2008, and failed to report double-time hours. Ms. Odell further reported that the employer also failed to

report on-call banquet employees over the five hour minimum per function. She stated that, per the Trustees' directive, due to the size of the employer, large volume of records, and time needed to test on-call banquet employees, the findings were extrapolated based on sample testing.

Mr. Sergeant informed the Trustees that, during the audit, Calibre determined that the Omni Shoreham Hotel and Hyatt Regency Hotel used temporary agencies for covered work (Penguin Staff and Temps of D.C. in the case of the Omni Shoreham, and Three G's Services in the case of the Hyatt Regency) and these hours were not reported to the Fund. After discussion, the Trustees directed the Payroll Auditor to release the audit for both Employers with the notation that the temporary agency findings were under investigation. The issue of the use of temporary agencies was referred to the Finance and Collections Committee.

Ms. Odell reported that Calibre had recently completed the audit of Levy Restaurants at the Verizon Center. The employer disputed the findings of \$660.51 underpayment because it claimed that it was entitled to a net credit in the amount of \$13,429.77 for overpayments made on employees working non-union supervisory positions during the period October 2009 through September 2010. After discussion, the Trustees determined that the contributions paid on behalf of the disputed members made them eligible for Fund benefits during this period. They further concluded the Fund paid premiums to the service provider on their behalf and these members were treated as eligible for benefits. Therefore, the Trustees denied Levy Restaurants' request for credit of the overpayment to the Group Legal Services Fund.

Ms. Odell further reported that, with respect to the Mandarin Oriental, the \$725.69 underpayment claim was attributable entirely to underreported functions the Mandarin Oriental makes payments based on five hours for each function rather than the actual length of the function. The claim was calculated based on extrapolation from a sample, since reviewing source documentation in every instance would have been quite costly.

Ms. Odell distributed copies of the proposed list of employers to be audited in the first half of 2012 for Trustee approval. She explained that all employers would now be on a three-

year cycle for payroll audits. The Trustees approved the proposed list as presented.

As follow-up to a prior Board of Trustees meeting, Mr. Boardman reported that he had contacted the General Manager of the Hay Adams Hotel regarding the use of Quantum Services and was informed that the Hay Adams would discontinue using them within six months.

The Trustees thanked Ms. Odell and Mr. Sergeant for their presentation and excused them from the balance of the meeting.

VI. PAYROLL AUDIT COLLECTIONS REPORT

Ms. Sims referred to the Payroll Audit Collections Report dated March 27, 2012 included in the meeting book. A copy of the report is attached to and made a part of the minutes as Exhibit B. 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. CO-COUNSEL REPORT

A. Summary Plan Description ("SPD") Update

Co-Counsel informed the Trustees that the SPD dated February 2012 has been mailed to Participants.

B. Amendment to the Group Legal Services Fund Agreement and Declaration of Trust

Co-Counsel distributed a copy of an amendment to the Group Legal Services Fund Agreement and Declaration of Trust to reduce the number of Employer and Union Trustees to three on each side. A copy of the amendment is attached to and made a part of these minutes as Exhibit C.

After discussion, on Motion made and seconded, the Trustees approved the following

resolution:

RESOLVED to approve the Amendment to the Group Legal Services Agreement and Declaration of Trust, as presented.

Chairman and Secretary executed the Amendment on behalf of the Board of Trustees.

IX. PROVIDER REPORT

2011 Utilization Report

Mr. Paul Regan of Regan Associates, Chartered, came before the Trustees and referred to the 2011 Annual Utilization Report, copies of which were distributed prior to this meeting, and reviewed the report in detail. A copy of the report is attached to and made a part of these minutes as Exhibit D.

X. ADMINISTRATIVE MANAGER REPORT

A. Fourth Quarter 2011

Ms. Sims presented and reviewed the Fourth Quarter 2011 Administrative Manager's Report, a copy of which is attached to and made a part of these minutes as Exhibit E.

XI. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting to be held June 28, 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.

XII. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,
Solomon Keene
Secretary-Treasurer

AMS/RT
(Orig. 04-01-12)

Attachments:

Exhibit A: Calibre CPA Group, PLLC: Compliance Audit Program Status Report as of March 21, 2012
Exhibit B: Associated Administrators, LLC: Payroll Audit Collections Report as of March 27, 2012
Exhibit C: Amendment to the Group Legal Services Agreement and Declaration of Trust
Exhibit D: Regan Associates: 2011 Utilization Report
Exhibit E: Associated Administrators, LLC: Administrative Manager Report, Fourth Quarter 2011