The Warehouse Employees Union Local No. 730
& Contributing Companies' Prepaid
Legal Services Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 & CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND JUNE 8, 2012 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. McConville – Chairman	M. Bull – Secretary
R. Brooks	J. Navin
R. Jackson	J. Paradis

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Dickstein Shapiro, LLP
J. Gomes – Calibre CPA Group, PLLC
R. Sichel – Investment Performance Services, LLC
R. Tierney – Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held April 13, 2012.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the minutes of the last regular meeting held on April 13, 2012 were approved as presented.

III. FINANCIAL REPORT

The Trustees welcomed Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. PNC Bank, NA

Ms. Cochran distributed the Summary of Activity report from PNC Bank for the period January 1, 2012 through March 31, 2012. Such report indicated a beginning market value of $806,296, receipts of $47,888, disbursements of $31,261, and an investment return of $3,612, producing an ending market value of $826,535.

B. Investment Performance Services

1. Investment Performance Analysis

Mr. Sichel reviewed his report entitled, "Investment Performance Analysis – March 31, 2012," beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 86.1% in domestic fixed income and 13.9% in cash and equivalents. The Atlanta Capital Bond Fund held $711,988 in investments. The PNC Prime Money Market held $114,547.

2. Investment Consulting Contract Renewal

Mr. Sichel reviewed his letter dated May 10, 2012 regarding IPS' Investment Consulting Agreement with the Fund. IPS proposed no increase in the current annual fee of $2,500, with the same level of services provided, for a two-year period, October 1, 2012 through September 30, 2014.

After a discussion, the Trustees tabled the investment consulting contract renewal request for further consideration.

The Trustees thanked Mr. Sichel for his report and he was excused from the meeting.

IV. AUDITOR REPORT

The Trustees welcomed Mr. James Gomes of Calibre CPA Group, PLLC to the meeting.

Mr. Gomes reviewed the draft Financial Statements for the year ended December 31, 2011. He said this audit reflects an unqualified opinion, in all material respects, of the financial status of the Fund. The Net Assets Available for Benefits were $824,154 on December 31, 2011. The total assets as of December 31, 2011 were $829,468, accounts payable were $5,314, and benefit obligations totaled $59,515. He noted total additions for the year ended December 31, 2011 were $203,938, and total deductions were $150,543, resulting in an increase of Net Assets Available for Benefits of $53,485. This combined with a Net Increase in Benefit Obligations of $6,910 resulted in an Increase in Excess of Net Assets Available Over Benefit Obligations of $46,575. The resulting Excess of Net Assets Available for Benefits over Benefit Obligations on December 31, 2011 was $764,639. He also reviewed the notes to the financial statements, the schedule of administrative expenses, the schedule of employer contributions, the schedule of assets held for investment purposes, and the schedule of reportable (5%) transactions.

The Trustees thanked Mr. Gomes for his report and he was excused from the meeting.

V. COUNSEL REPORT

Mr. DeLancey reported that the Fund's new payroll auditor had raised a question regarding the application of interest on payroll audit findings. At the last meeting he said that the payroll audit policy only allows the assignment of interest and damages if the Employer does not pay the amount due within 10 days of notification, when the matter is referred to Fund Counsel. He reported that he is still working on this matter and will report back to the Board.

Mr. DeLancey said there were no other legal matters pending before the Board of Trustees at this time.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the first quarter 2012. Such report showed employer contributions of $41,954, miscellaneous income of $0 and interest and dividend income of $4,936, producing a total income of $46,980 for the quarter. Benefit expenses were $19,735 and operating expenses were $12,609, producing a total expense of $32,344, resulting in a net surplus of $14,546 for the quarter. Ms. Cochran noted that contributions were made on behalf of 1,251 participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated June 8, 2012 for Trustee review. It was noted that there were no deletions or changes to the list.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the list of invoices dated June 8, 2012 was approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Payroll Audit Status Report

Ms. Cochran reviewed the Auditor's payroll audit status report as of June 4, 2012, as contained in the meeting booklet.

Ms. Cochran reported the payroll audit for Washington Food for the period of July 2008 through December 2008 was complete and a discrepancy of $1.44 was owed to the Legal Fund. She stated a check from Washington Food was received on May 21, 2012 and the audit is now complete.

Ms. Cochran stated the 2012 payroll audits for C&S Wholesale, Giant Warehouse and Giant Recycling were currently in progress.

Ms. Cochran reiterated an issue discussed at the last meeting concerning the timing of Giant's initial contributions for employees that moved from Vacation Relief to Regular Status. She stated Giant provided a report showing a total of $1,971.63 owed to the Fund regarding the matter. Ms. Cochran stated the information was reviewed by the Fund Office; however they could not verify all of the information provided because Associated Administrators is not a payroll auditor.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval, with Trustee Paradis abstaining, of the following resolution:

> **RESOLVED to engage Calibre CPA Group, PLLC to audit Giant Food for the period of 2001 – 2005 regarding the issue of contributions on employees transferring from Vacation Relief to Regular status and to additionally examine this issue closely in the current audit of contributions for the period 2009 through 2011, to confirm the matter is being properly handled.**

The Trustees directed the Administrative Manager to request an estimate from Calibre for this special payroll audit and report it to the Trustees via electronic mail for approval.

B. <u>Summary of Material Modification</u>

Ms. Cochran reported a Summary of Material Modification (SMM) was mailed to participants and posted on the website in April 2011. This SMM reflected the movement of Giant Local 922 participants into the Plan 1 level of benefits and an update to the list of trustees.

C. <u>Akman & Associates – Tax Services Proposal</u>

Ms. Cochran reported receipt of a letter from Akman & Associates dated May 21, 2012 regarding a tax preparation benefit for participants. Ms. Cochran stated this proposal is for services separate from the legal services provided by the Law Office of Steve Sindler.

After a discussion, the Trustees asked the Administrative Manager to notify Akman & Associates to submit a proposal for services in writing. The Trustees will review the proposal and then decide if a presentation regarding the tax services is needed.

D. *For Your Benefit* Newsletter

Ms. Cochran noted the April 2012 *For Your Benefit* newsletter was mailed to participants.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected September 6, 2012 as their next regular meeting in Landover, Maryland.

X. ADJOURNMENT

There being no additional business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Michael Bull
Secretary