Warehouse Employees Union Local No. 730 and 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 5, 2014
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
R. Brooks
A. Smith
T. Richardson - Alternate

EMPLOYER TRUSTEES
M. Bull – Secretary
J. Paradis

Also present were:

A. Budich – Calibre CPA Group, PLLC
W. Chambers – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
M. DeLancey – Dickstein Shapiro, LLP
M. Herwig – PNC Bank, NA
S. Raeder – Calibre CPA Group, PLLC
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. TRUSTEE APPOINTMENT

Ms. Cochran noted receipt of a letter from Trustee Martin McConville in which he submitted his resignation as Chairman and Union Trustee for the Warehouse Employees Union Local No. 730 & Contributing Companies Pre-Paid Legal Services Fund effective March 1, 2014.

The Union Trustees nominated Mr. Archie Smith for the position of Chairman to fill the vacancy created by Mr. McConville's resignation. Mr. Smith accepted the nomination.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held March 14, 2014.

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 March 14, 2014 were approved as presented.**

IV. FINANCIAL REPORT

The Trustees welcomed Mr. Michael Herwig of PNC Bank, NA, and Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. PNC Bank, NA

Mr. Herwig distributed the Summary of Activity report from PNC Bank for the period January 1, 2014 through March 31, 2014. Such report indicated a beginning market value of $803,597, receipts of $29,143, disbursements of $23,869, and an investment return of $231, producing an ending market value of $809,102.

B. Investment Performance Services

Mr. Sichel reviewed his report titled, "Investment Performance Analysis – March 31, 2014" beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 93.5% in domestic fixed income and 6.5% in cash and equivalents. Mr. Sichel said the current asset allocations are appropriate in accordance with the Fund Investment Policy Statement. The Atlanta Capital Bond Fund held $756,145 in investments. The PNC Prime Money Market held $52,957.

C. Investment Policy Statement – Wal-Mart Exclusion

Mr. Sichel reported that an updated Investment Policy Statement with guidelines that prohibit investments in Wal-Mart was approved by Fund Counsel and executed by the Trustees. He said the updated Investment Policy Statement would be distributed to the Fund's managers. Mr. Sichel noted that certain investment styles do not allow the investor to dictate the investment, such as a commingled fund.

The Trustees thanked Mr. Herwig and Mr. Sichel for their reports and they were excused from the meeting.

V. AUDITOR REPORT

The Trustees welcomed Mr. Steve Raeder and Mr. Art Budich of Calibre CPA Group, PLLC to the meeting.

Mr. Raeder reviewed the draft Financial Statements for the year ended December 31, 2013. 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 $820,355 on December 31, 2013. The total assets as of December 31, 2013 were $811,836, accounts payable were $4,355, and benefit obligations totaled $44,452. He noted total additions for the year ended December 31, 2013 were $124,437, and total deductions were $132,956, resulting in a decrease of Net Assets Available for Benefits of $8,519. This combined with a Net Decrease in Benefit Obligations of $14,972 resulted in an Increase in Excess of Net Assets Available Over Benefit Obligations of $6,453. The resulting Excess of Net Assets Available for Benefits over Benefit Obligations on December 31, 2013 was $767,384. 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. Raeder and Mr. Budich for their report and they were excused from the meeting.

VI. COUNSEL REPORT

Ms. Cochran stated the updated draft Summary Plan Description (SPD) which had been approved by Fund Counsel was distributed for Trustee review prior to the meeting. She stated a copy was also contained in the meeting booklet. It was noted that the Board of Trustees and Contributing Employers sections need to be updated.

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

> **RESOLVED that the SPD contained in the meeting booklet, with noted updates, is approved for printing and distribution to Plan participants.**

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

VII. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the first quarter 2014. Such report showed employer contributions of $30,063, miscellaneous income of $0, and interest and dividend income of $3,337, producing a total income of $33,400 for the quarter. Benefit expenses were $17,078 and operating expenses were $6,761, producing a total expense of $23,839, resulting in a net surplus of $9,561 for the quarter. Ms. Cochran noted that contributions were made on behalf of 904 participants.

VIII. INVOICES

Ms. Cochran presented a list of invoices dated June 5, 2014 for Trustee review. It was noted that there were no additions, 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 5, 2014 be approved for payment as presented.

IX. OTHER FUND BUSINESS

A. Cyber Liability Policy

Ms. Cochran stated an electronic mail was received from The McLaughlin Company regarding Cyber Liability insurance for the Fund. Ms. Cochran said the e-mail was distributed to Fund Counsel for review. She said Fund Counsel asked for a copy of the Administrative Manager's Cyber Liability Policy and it was provided. Fund Counsel asked the Administrative Manager to look into the cost of adding the Fund under the Administrative Manager's policy.

B. Fidelity Bond Renewal

Ms. Cochran stated the Fidelity Bond policy renewal for the period July 11, 2014 through July 11, 2017 was received. She said there was no change in the policy from the previous period, including the annual premium which is $609.00. Ms. Cochran said the renewal was reviewed by Fund Counsel and found to be acceptable.

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

RESOLVED that the Fidelity Bond policy for the period July 11, 2014 through July 11, 2017 at an annual premium of $609.00 was approved for renewal.

C. Fiduciary Liability Policy Renewal

Ms. Cochran reported the Fiduciary Liability application for the 2014 – 2015 policy year was submitted by The McLaughlin Company to the market for multiple carrier quotes. The current policy will expire July 26, 2014.

D. Addendum for Legal Services

Ms. Cochran reiterated the motion passed at the March 14, 2014 Board of Trustees' meeting approving a three-year agreement with the Law Office of Steven Sindler. The contract Addendum was reviewed by Fund Counsel and executed by the Trustees.

E. For Your Benefit Newsletter

Ms. Cochran stated that the Fund Office mailed the April 2014 *For Your Benefit* newsletter to participants.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected September 25, 2014 as their next regular meeting in Landover, Maryland.

XI. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary