United Food and Commercial Workers Unions
and Contributing Employers
Legal Benefits Fund

911 RIDGEBROOK ROAD
SPARKS, MARYLAND 21152-9451
TELEPHONE: (410) 683-6500
(800) 638-2972

4301 GARDEN CITY DRIVE
SUITE 201
LANDOVER, MARYLAND 20785-2210
TELEPHONE: (301) 459-3020

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENFITS FUND NOVEMBER 22, 2011 IN LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
T. McNutt – Chairman
J. Harrison

EMPLOYER TRUSTEES
J. McWilliams – Secretary

Also present were:

B. Garstecki – Bond Beebe
M. Herwig – PNC Bank
W. Jensen – Associated Administrators, LLC
S. Sanchez – Slevin & Hart, P.C.
J. Sears – Associated Administrators, LLC

I. CALL TO ORDER

Noting the presence of a quorum, the Chairman called the meeting to order.

II. RESIGNATION/APPOINTMENT OF TRUSTEE

Mr. Jensen reported that he had received correspondence from Carvel Mays resigning his position as a Trustee effective September 27, 2011. He further reported that he had received correspondence from UFCW Local 27 appointing Jennifer Harrison as a Trustee, replacing Mr. Mays, effective November 17, 2011. The Trustees welcomed Ms. Harrison to the meeting.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on February 25, 2011 and,

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 February 25, 2011 were approved as presented.**

IV. FINANCIAL REPORT

A. PNC Bank

Mr. Herwig distributed and reviewed a Summary of Activity report for the period January 1, 2011 through September 30, 2011. Such report indicated a beginning market value of $148,770, receipts of $429,330, expenses of $491,415, and earnings of $215, producing an ending market balance of $86,900 as of September 30, 2011.

B. Auditor's Report

The Trustees welcomed Mr. Brian Garstecki of Bond Beebe to the meeting. He reviewed the Financial Statements for the year that ended December 31, 2010. Such report indicated a beginning balance of $143,603, net investment income of $3,373 and employer contributions of $645,616, producing a total income of $648,989. Expenses included $656,246 in benefit expense and $69,849 of operating expenses, producing a total expense of $726,095. This resulted in a decrease of the net assets available for benefits of $77,106. In addition, there was a net decrease in fees payable to legal service providers of $6,915, producing net assets available for benefits over benefit obligations as of December 31, 2010 of $73,412. Mr. Garstecki then reviewed the Notes to the Financial Statements and the Schedule of Employer Contributions.

Mr. Garstecki said the 2010 IRS forms 5500 and 990 were filed timely. He reported no material weaknesses or discrepancies in preparing the audit.

Mr. Garstecki presented the engagement letter for the 2011 audit. The letter called for a fee of $12,100 representing no increase to the 2010 fee.

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

> **RESOLVED to approve Bond Beebe's engagement letter for the 2011 audit at a fee of $12,100.**

The Trustees thanked Mr. Garstecki for his report and he was excused from the remainder of the meeting.

V. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2011

Mr. Jensen reviewed the administrative manager's report for the first quarter 2011, which was previously distributed. Such report indicated employer contributions of $153,615 and interest and dividend income of $392, producing a total income of $154,007 for the period. Expenses included $154,327 of benefit related expenses and $16,431 of operating expenses, producing a total expense of $170,758. This resulted in a net deficit of $16,751 for the quarter. Mr. Jensen noted that the contributions were made on behalf of 2,605 participants for the first quarter 2011.

Mr. Jensen then reviewed the utilization for the first quarter of 2011 and the delinquency report for the quarter.

B. Second Quarter 2011

Mr. Jensen reviewed the administrative manager's report for the second quarter 2011, which was distributed at the meeting. Such report indicated employer contributions of $139,783 and

interest and dividend income of $285, producing a total income of $140,068 for the period. Expenses included $144,454 of benefit related expenses and $14,804 of operating expenses, producing a total expense of $159,258. This resulted in a net deficit of $19,190 for the quarter.

Mr. Jensen noted that the contributions were made on behalf of 2,452 participants for the second quarter 2011.

Mr. Jensen then reviewed the utilization for the second quarter of 2011 and the delinquency report for the quarter.

VI. INVOICES

Mr. Jensen presented a list of invoices dated November 22, 2011. He noted there were no additions, deletions, or changes to the list and that all invoices represented proper Fund expenses.

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

> **RESOLVED that the list of invoices dated November 22, 2011 was approved for payment.**

VII. OTHER FUND BUSINESS

A. 2012 Legal Contribution Rate

Mr. Jensen reviewed a memorandum dated October 18, 2011. He said after a review of Fund expenses and revenue, he recommended the contribution rate be increased to $22.08 effective January 1, 2012.

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

> **RESOLVED to increase the contribution rate to $22.08 per participant per month effective January 1, 2012.**

B. Payroll Audit – United Optical

Mr. Jensen said a payroll audit of United Optical was completed by Bond Beebe, and that such audit reported an amount of $882.00 was owed to the Fund by the employer. Mr. Jensen said a letter was sent to United Optical in pursuit of this amount.

C. Fiduciary Insurance – Waiver of Premium

Mr. Jensen noted that the Waiver of Premium invoices for the Fiduciary Insurance had been sent to the Trustees on May 13, 2011.

VII. NEXT MEETING DATE AND LOCATION

The Trustees left the next meeting to the call of the Chairman.

IX. ADJOURNMENT

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

Respectfully submitted,
Julie McWilliams – Secretary