

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

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**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW UNIONS AND CONTRIBUTING EMPLOYERS
LEGAL BENEFITS FUND
APRIL 11, 2018 IN
LANDOVER, MARYLAND**

The following Trustees were present:

UNION TRUSTEES

A. Hanson
T. Hipkins

EMPLOYER TRUSTEES

D. Gwin - Chairperson

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
J. Chorpenning - UFCW Local 27
D. Clutts - Associated Administrators, LLC
M. Federici - UFCW Local 400
N. Jacobs - UFCW Local 400
W. Jensen - Associated Administrators, LLC
S. Sanchez - Slevin & Hart, P.C.
B. Slevin - Slevin & Hart, P.C.
L. Walsh - Associated Administrators, LLC
M. Wilson - UFCW Local 400

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 on April 19, 2017, which were previously circulated 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 April 19, 2017 are approved as presented.

III. FINANCIAL REPORT

A. PNC Bank

Ms. Clutts reviewed the PNC Summary of Activity report for the period January 1, 2018 through March 31, 2018, which had been previously circulated. Such report indicated a beginning market value of \$113,473, earnings of \$326, receipts of \$114,242, and disbursements of \$113,973, producing an ending market balance of \$114,068 as of March 31, 2018.

IV. AKMAN & ASSOCIATES, P.C.

The Trustees welcomed Mr. Matt Akman from Akman & Associates, P.C. ("Akman & Associates") to the meeting.

A. Annual Review

Mr. Akman reviewed the "UFCW and Contributing Employers Legal Benefits Fund Annual Report" for the period January 1, 2017 through December 31, 2017. Mr. Akman noted that 597 cases were opened during the period, generating 3,378.35 attorney hours and 2,409.10 paralegal hours. Consumer law represented the highest number of cases opened, followed by family law.

B. Legal Services Provider Proposal

Mr. Akman presented a three-year fee increase request, beginning April 1, 2018, to the Trustees for consideration.

Mr. Akman said that Akman & Associates' last increase was a cost of living adjustment on January 1, 2013, and he noted that the Fund began paying a lower rate in 2014 for participants hired after January 1, 2014. Mr. Akman reported that participant service requests have increased because Akman & Associates also has been providing services to participants represented by UFCW Local 400 since April 2016. Mr. Akman said his firm continues to provide high quality legal benefits with a strong utilization rate by Plan participants. The increase would be used to compensate his staff and pay for increasing operating costs, including the rising cost of health insurance.

The Trustees thanked Mr. Akman and excused him from the meeting. After discussion, the Trustees directed Associated to contact Mr. Akman for clarification regarding the terms of the proposal.

V. ATTORNEY'S REPORT

Fund Counsel had no legal matters to report.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2017

Ms. Clutts reviewed the Administrative Manager's report for the fourth quarter 2017, which was previously circulated. Such report indicated employer contributions of \$114,518 and interest and dividend income of \$240, producing a total income of \$114,758 for the period. Expenses included \$102,029 of benefit related expenses and \$11,987 in operating expenses, producing a total expense of \$114,016. This resulted in a net deficit of \$742 for the quarter. Ms. Clutts noted that contributions were made on behalf of 1,824 participants for the quarter. The Fund reserves as of December 31, 2017 were \$113,378.

Ms. Clutts reported that there were no delinquencies for the fourth quarter.

B. Administrative Manager's Contract Renewal

Mr. Jensen stated that Associated Administrators' contract will expire December 31, 2018. He presented a request for a three-year extension of the contract and reviewed justification for a fee increase, including new legislation that has significantly affected benefits administration, implementation of the new eligibility rule changes and regulatory

changes, and ongoing information technology investment for mandated security and compliance.

The representatives from Associated Administrators, LLC were excused from the meeting.

The Trustees discussed the contract renewal and tabled same pending further discussion.

The Trustees invited the representatives from Associated to rejoin the meeting and they were advised of the Trustees' decision.

VI. INVOICES

Ms. Clutts presented a list of invoices dated April 11, 2018. She said there were no additions, deletions, or changes to the list, and all invoices represented proper Fund expenses.

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

RESOLVED that the invoices on the list dated April 11, 2018 are approved for payment.

VII. FIDUCIARY INSURANCE

Mr. Jensen reported that the Fund's fiduciary insurance policy was renewed, effective [insert date].

VII. NEXT MEETING DATE AND LOCATION

The Trustees will meet again in April 2019, with the date and location to be established prior to year-end 2018.

VIII. ADJOURNMENT

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

Respectfully submitted,

Donna Gwin - Chairperson

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