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U.S. DEPARTMENT OF LABOR  
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MAR 31 2015

EMPLOYEE BENEFITS  
SECURITY ADMINISTRATION  
Los Angeles Regional Office

(b) (6)  
(b) (6), (b) (7)(C)

March 30, 2015

**VIA U.S. POSTAL SERVICE – CERTIFIED MAIL**

(b) (6), (b) (7)(C)

U.S. Department of Labor  
Employee Benefits Security Administration  
Los Angeles Regional Office  
1055 East Colorado Boulevard, Suite 200  
Pasadena, California 91106-2357

**Re: Case Nos. 72-033089 (48) and 72-033090 (48)**

Dear (b) (6), (b) (7)(C)

We are co-counsel to the Screen Actors Guild-Producers Pension and Health Plans (the “Plans” and when referenced separately, herein, the “Health Plan” and the “Pension Plan”). On behalf of our client, the Board of Trustees of the Plans (the “Board of Trustees” or “Trustees”), we are writing this letter in response to the January 13, 2015 letters from the U.S. Department of Labor (the “Department”), Employee Benefits Security Administration, to the Plans, regarding the case numbers referenced above (the “Investigation Letter”).

A Pennsylvania Limited Liability Partnership

California Colorado Connecticut Delaware District of Columbia  
Florida Nevada New Jersey New York Pennsylvania Texas

ACTIVE 29365944v6

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## ALLEGED VIOLATIONS

### Excessive Expenses Related to Trustee/Committee Meetings<sup>1</sup>

We believe that the Department's tentative finding that expenses related to meetings of the Plans' Board of Trustees and of the Plans' Committees were excessive is based on a misunderstanding with respect to the number of people who attend those meetings. The Department's findings note that "[i]n addition to Trustees, *several* staff members and service providers attended these Trustee meetings." (emphasis added). In fact, far more than "several" staff members and service providers attend those meetings. The meeting minutes reflect that the meetings are usually attended by a number of key staff employees, including, for example, the Plans' (b) (6) and several key members of the staff responsible for various agenda items, including, at various times, the staff members responsible for the Plans' audit program, special projections, and IT systems. In addition, outside consultants such as the Health Plan's consultant, the Plans' actuaries and the Plans' co-counsel attend most of these meetings.

Attachment 1 includes a chart which lists the actual number of those who attended each of those meetings in each year, and also calculates the average cost of catering per attendee. Attachment 2 includes a (b) (4) of attendees and costs for each meeting separately. Attachment 2 demonstrates that the average cost per participant varies from meeting to meeting, depending in part on the number of individuals who attend the meeting. The summary reflects that, with the exception of one year, the average cost per participant for two meals was between about (b) (4) and (b) (4) per participant. We do not believe that these charges are unreasonable. In 2012, the cost per participant spiked temporarily to (b) (4). This increase is attributable to the fact that there were new Committees established at that time and the Plans did not correctly anticipate the number of individuals who would be attending those new meetings.

In 2012, the Plans conducted a study of meeting costs and based on the study findings, the Plans decided to terminate their relationship with the Plans' existing caterer. This caused the cost per participant, per meeting to drop dramatically in 2013. This kind of careful examination, review, adjustment and modification demonstrates that the Plans were, in fact, properly reviewing expenses.

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<sup>1</sup> Please note that the titles of each section, as set forth herein, are replications of the Department's titles as set forth in the Investigation Letter and are provided for ease of reference. It is our opinion that the titles, as set forth herein, provide inaccurate descriptions of the referenced expenses and activities and in no way represent the opinions of the Plans, Plans' co-counsel or the Board of Trustees.



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We believe that it is clearly in the interest of the Plans to provide meals to Trustees and staff during Plan Board and Committee meetings. Failure to do so would mean that the Trustees would have to leave the meeting location to eat their meals, inevitably resulting in lengthy delays and inefficiency in conducting Trustee business. Moreover, there a number of Trustees, staff and consultants that have certain dietary restrictions (such as kosher or vegetarian); because of this, a number of individuals would have a long way to travel in order to find a restaurant that meets their dietary needs.

The delays associated with Trustees, staff and consultants having to leave the meeting location to eat their meals would not result in any costs savings to the Plans and would, in fact, result in additional cost. According to the Plans' Trustee Guidelines for Expense Reimbursement that the Department has reviewed and deemed compliant, Trustees can receive up to (b) (4) for meal reimbursement. Thus, the cost of an outside meal could far exceed the cost of a catered meal. When you couple the additional cost of an outside meal with the transportation costs associated with leaving and returning to the Plans' offices, it is clear that a catered meal would almost certainly equal or exceed the cost of a catered meal. In addition, these delays could also add extra days to the Board and Committee meetings which would cause the Plans to incur additional costs for Trustee lodging, travel and meals.

These facts conclusively establish that the costs incurred for Board and Committee meetings were reasonable. Moreover, the evidence demonstrates that the Trustees diligently monitored the costs associated with these meals to ensure that the policy and purpose of providing them was met, and that in so doing, the Trustees were defraying reasonable expenses of the Plans, were acting prudently, did not cause assets of the Plans to be used for the benefit of parties in interest and were dealing with the Plans' assets solely in the interest of the Plans. Because the Trustees were discharging their duties to the Plans solely in the interest of, and for the exclusive purpose of, providing benefits to participant and beneficiaries, the Trustees did not violate ERISA Sections 404(a)(1)(A) and (B), 406(a)(1)(D) and 406(b)(1) and (2).

#### Unsubstantiated Plan Expenses Paid by the Plans

Pursuant to the Plans' policy, executives of the Plans are required to submit expense claims with receipts attached, detailing their expenditures. According to the investigation conducted by the Department, there were three hotel charges substantiated by the Plans' American Express credit card statement but submitted and reimbursed without receipts or other supporting documentation.



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Our investigation indicates that these hotel charges were incurred by (b) (6) (the Plans' former (b) (6)) in connection with his presentation at the Screen Actors Guild Membership Meetings that were held in New York City (the "Membership Meetings"). The union requested that (b) (6) attend the Membership Meetings in order to educate its East Coast members concerning changes made to the Plans during the past year, changes in laws regulating the Plans and other issues facing the Plans. (b) (6) trip to New York also provided the Plans' participants, the Plans' New York Trustees and the Plans' New York administrative staff with the opportunity to meet face-to-face with the Plans' (b) (6), ask questions and learn about the administration and relative health of the Plans.

The Plans have in their possession back-up documentation which substantiates that (b) (6) was in New York for the Membership Meetings on each of the three separate occasions for which hotel expense reimbursement was sought and obtained as outlined in the Investigation Letter. The back-up documentation, enclosed herein as Attachment 3, includes expense reports, credit card statements, itineraries and meeting agendas. The Plans were also able to obtain the hotel receipt relating to (b) (6) May, 2011 stay at (b) (4) Hotel, enclosed herein as Attachment 4.

It is important to note that the Plans have since modified their expense policy to require back-up documentation, including actual receipts, for any expenses incurred by the Plans. The Plans have been diligent about enforcing this requirement since the new policy was adopted, and will continue to be diligent on a going-forward basis.

The Department's Letter also questions expenses paid for a three-day Executive Retreat held in June of 2007 that required a two-night stay at the (b) (4), California. In his capacity as (b) (6), (b) (6) decided that taking the executives off-site for this meeting was essential in order to allow the Plans' executive staff to team build and plan for the coming year, without the distraction of staff interruptions. Offsite management retreats are commonly utilized in today's business world for both for-profit businesses and non-profit organizations because of their singular ability to provide an environment in which key management employees can identify goals and objectives for the future management and direction of the organization and develop plans for the implementation of those goals and objectives. These retreats are commonly accepted as a vitally important management tool for Taft-Hartley funds, as the Department itself recognizes inasmuch as it approves of trustee and administrative staff attendance at conferences, such as the International Foundation Annual Conference. Moreover, virtually every business management expert has written or spoken about the fundamental importance of these types of management retreats.



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The reason for holding the planning session away from the Plans' offices is simple: it allowed the executives attending the retreat to be free from constant interruptions from other members of staff so that they could concentrate on the matters discussed at the retreat. The executive staff needed time away from the office in order to focus on the tasks at hand without unnecessary interruptions and distractions.

According to Plan records, ten Plan executives attended the retreat. (See the back-up documentation for the retreat in Attachment 5, which also includes credit card statements and receipts.)

The documentation provided by the Plans clearly demonstrates that the total cost for the planning session was extremely modest considering the number of executives and management personnel who attended. Furthermore, it was held within driving distance of the Plans' office so that the attendees would not have to incur the expense of air travel. This helped contribute to the relatively modest cost of the planning session. Also, it should be noted that the Plans' executives and management were in meetings for the entire three days of the planning session. The meeting agenda is attached as Attachment 6.

For the reasons set forth above we believe that the Plans have adequately substantiated the expenses related to (b) (6) New York hotel stays and point out that, in an effort to avoid such questions in the future, the Trustees have adopted a new policy that *always* requires actual receipts before reimbursement is approved, thereby strengthening controls and accountability for such expenditures.

Likewise, we submit that the expenses associated with the Executive Retreat are reasonable. Accordingly, it is our position that the Trustees have adequately monitored the expenses of the Plans and have thereby satisfied their obligations under ERISA Sections 404(a)(1)(A) and (B) and 406(a)(1)(D).

#### Automobile Expenses

It is unquestionable that ERISA demands that Plan administrative expenses be reasonable. The compensation of plan staff, as a component of Plan administrative expenses, must also be reasonable. The compensation package of the Plans' key executives used to consist of a number of elements, one of which was the reimbursement of automobile expenses. (b) (6)

(b) (6), (b) (7)(C)

(b) (6)

These types of reimbursements are a common feature of executive compensation.

The compensation structure offered by the Plans to its key executives helped the Plans to attract and retain many of the Plans' key personnel.

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The Department has indicated that it believes the Plans' former policy of reimbursing certain key executives for automobile expenses was unreasonable. We do not believe that any such *per se* rule exists and, instead, we submit that the reasonableness of executives' compensation must be examined not by looking at each of the component parts of an executive's compensation package, but at the compensation package as a whole. Looked at solely as a budget item, automobile expense reimbursements are no different from wages, vacation, pension and health benefits or any other amounts paid to an executive. These are simply different forms of consideration paid in exchange for services rendered. Therefore, in order to determine whether a breach of fiduciary duty has occurred, the Department must evaluate whether the total compensation paid to one or more of the Plans' executives, including amounts classified as automobile expense reimbursements, was reasonable.

The Plans respectfully submit that there is no evidence to indicate that the Plans' executives were paid more than reasonable compensation, even taking into account reimbursements for automobile expenses. Therefore, there is simply no justification for the Department's finding that a breach of fiduciary duty with respect to the Plans' executive compensation has taken place.

It is worth pointing out that most of the automobile expenses outlined in the Investigation Letter relate to expenses incurred by (b) (6), (b) (7)(C). It is also important to note that the Plans conduct periodic reviews of all executive expense reimbursements, including automobile expense reimbursements. During one of these reviews, the Plans determined that some of the automobile expenses incurred by (b) (6), (b) (7)(C) were improper and, accordingly, sought and obtained reimbursement for these expenses. Information regarding these expenses is included as Attachment 7. The Trustees have been diligently pursuing reimbursement from (b) (6), (b) (7)(C) for the remainder of these expenses to the extent that it is cost-efficient for the Plans to do so.

The Department also took the position in its Investigation Letter that it was unreasonable for (b) (6) to charge his car insurance and registration costs to the Plans because both the insurance and registration were held jointly in the names of (b) (6), (b) (7)(C). We disagree. The insurance and registration costs constitute automobile expenses for which (b) (6) was entitled to reimbursement under (b) (6) employment agreement. In addition, the vehicle for which expense reimbursement was provided was used solely by (b) (6) and was used exclusively for Plan business. (b) (6)

(b) (6), (b) (7)(C)  
(b) (6), (b) (7)(C)



(b) (6), (b) (7)(C)

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(b) (6), (b) (7)(C). Moreover, by having dual coverage with the same insurance carrier, (b) (6) was able to secure lower insurance rates, thereby saving the Plans additional expense.

The Trustees strongly believe that the total compensation paid to the Plans' (b) (6) and (b) (6) was reasonable. At the same time, they recognize that concerns could be raised about the Plans' having adopted expense reimbursement policies that seem open-ended. Accordingly, the Trustees have since adopted an automobile expense reimbursement policy which specifically limits reimbursement to the cost of mileage at the IRS mileage reimbursement rate for automobile use for Plan business.

For the reasons set forth above, we believe that reimbursement of the executives' automobile expenses was not only reasonable, but that the Trustees have carefully monitored such expenses and demanded repayment of them when they believed that they were excessive. When those situations occurred, the Plan has sought, and will continue to seek, reimbursement for the Plans. Accordingly, we believe that the Trustees have satisfied their fiduciary duties under ERISA Sections 404(a)(1)(A) and (B) and 406(a)(1)(D) with respect to the automobile expenses.

Meal Expenses for (b) (4) Meetings

The Plans carefully review expenses related to meals charged by executives to the Plans' American Express card. After thorough review, it is our position that many of the meal expenses set forth in the Investigation Letter are reasonable for the reasons set forth herein.

The meal expense reimbursements questioned in the Investigation Letter include meals associated with (b) (6) meetings on March 8, 2006, November 21, 2009 and February 13, 2010 with

(b) (6), (b) (7)(C)

Since these meetings involved what is indisputably the business of the Plans, we believe that the meals were properly charged to the Plans' credit card.

The Investigation Letter also questions an expense incurred by (b) (6) on January 31, 2007 for a lunch with (b) (6), (b) (7)(C)

and the purpose of the meeting was to discuss entertainment industry issues relating to actors and actors' health and pension benefits.

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The Investigation Letter also questions an expense for a meeting between (b) (6) and (b) (6), (b) (7)(C). The Plans and the AFTRA Plans have an extremely close relationship due to the fact that many participants have dual coverage under both the Plans and the AFTRA Plans. The purpose of the meeting was to discuss the impact on Plan participants of a potential merger of the SAG and AFTRA Health and Pension Plans.

Other questioned expenses related to meetings between (b) (6) and (b) (6), (b) (7)(C), held on June 21, 2008 and July 27, 2010. The purpose of these meetings was to discuss various issues concerning the administration of the Plans, staffing and other employee-related concerns.

The Department also raised questions about expenses incurred in connection with the following meetings: On June 20, 2009, (b) (6) met with (b) (6), (b) (7)(C), for the purposes of discussing various investment opportunities for the Plans. On January 31, 2010, April 23, 2010 and July 5, 2010, (b) (6) met with (b) (6), (b) (7)(C) to discuss various real estate investment opportunities for the Plans. We believe that these expenses were entirely reasonable and appropriate because each of the meals in question was with an outside service provider or consultant, and the Trustees expect that such expenses will be paid by the Plans' executive, rather than by the outside provider, in order to avoid the appearance of impropriety or undue influence over the executive and, thus, the Plans.

Since each of the aforementioned meetings involved business of the Plans and served to benefit the Plans and the Plans' participants, we believe that they were properly charged to the Plans. In doing so, the Trustees defrayed reasonable expenses of the Plans, acted prudently and did not cause assets of the Plans to be used by a party in interest.

On April 11, 2006, September 15, 2008 and October 21, 2008 (b) (6) met with (b) (6), (b) (7)(C) and members of the IACF to conduct a financial review and financial forecasts for the Plans and the IACF. Upon further review, we have determined that these expenses should have been allocated entirely to the IACF; accordingly, the Plans will request reimbursement from the IACF.

Upon further review of the Department's Letter, we believe that only the meal expenses attributed to meetings with members of the Investment Committee of (b) (4) (the "Foundation") were not properly reimbursable. Although there were investment discussions at these meetings, we agree with the Department that these meal expenses should have been borne by the Foundation; accordingly, the Trustees have sought and obtained (b) (6)



(b) (6), (b) (7)(C)

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cooperation in reimbursing the Plans for these expenses in the amount of (b) (4), plus interest. By doing so, the Trustees have satisfied their obligations under ERISA Sections 404(a)(1)(A) and (B) and 406(b)(1) and (2).

#### Moving Costs

A number of years ago, the Trustees became aware of the Plans' reimbursement to (b) (6) for expenses associated with the sale of his home in (b) (6), (b) (7)(C) and the acquisition of his home in (b) (6), (b) (7)(C). At the time of the reimbursement, (b) (6) fully expected to balance his time between the Ventura and Burbank office. Although neither the Trustees nor (b) (6) believe that the reimbursement was a prohibited transaction, the parties decided and agreed that (b) (6) would reimburse the Plans as a gesture of accommodation to the Plans and because there was a lack of clarity in the terms of the Plans' relocation policy. Since the Trustees acted promptly to correct the situation upon learning of this issue and since (b) (6) did correct the situation in full when requested to do so by the Trustees, we feel that no further action by any party is needed with respect to this matter. The Trustees have updated and clarified the Plans' Trustee and employee reimbursement guidelines with respect to relocation expenses to insure that this issue does not recur.

#### (b) (4) Holiday Parties, Anniversary Parties and Farewell Parties

In addition to providing pension and health benefits to tens of thousands of participants, the Plans are also an employer with over 200 employees. In that capacity, the Plans pay salaries and provide benefits to their employees. Countless studies have been done by experts in human resources which indicate that employee productivity and morale improves dramatically when, on a few occasions throughout the year, an employer provides its employees with a holiday party or a party acknowledging its employees' service.

While the Department states that the various holiday, anniversary and farewell parties provided by the Plans were unreasonable and excessive, we are unaware of any statistical data or statutory, regulatory or case law that would call into question the moderate costs associated with these activities. In addition, even if the very small amounts expended per employee on these activities were considered part of the compensation package for these employees, it would not result in these employees receiving unreasonably high compensation.

Finally, we note that in July, 2014, the Plans adopted an Employee Business Expense Policy that addresses any concerns that the Department may continue to have regarding these issues. We have attached these new Guidelines as Attachment 8.



(b) (6), (b) (7)(C)

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**(b) (4)** Employee Lunches

For the reasons set forth herein, we believe that the expenses incurred with respect to various employee lunches were reasonable. Attached to this letter as Attachment 9 is a chart outlining the details of the meals reflected in Attachment L of the Investigation Letter. Please note that the Plans can provide additional substantiating information upon request.

The meetings outlined in the Investigation Letter fall into several different categories. First, a working lunch took place at the Plans' offices on December 4, 2013. This meeting was attended by employees of the Plans, the Plans' auditors and the Plans' attorneys. The Plans expended (b) (4) for approximately thirty-five (35) attendees. Providing food at such a modest expense to facilitate a working lunch is reasonable and does not constitute a breach of fiduciary duty.

Next were four (4) luncheon events accommodating approximately 200 Plan employees on site at an average cost of about (b) (4) per employee for a photo day, an employee appreciation day, and for special occasions. Inviting employees to attend a lunch time event designed to improve morale and increase employee productivity would be counterproductive if food were not provided. Scheduling these events outside of working hours would not be in the interest of the Plans' participants, nor would it be in the interest of the Plans' participants to ignore fundamental and basic human resource practices designed to maintain high employee morale and productivity. Employee lunchtime events are a commonly accepted practice in today's business world as a vitally important management and human resource tool. Virtually every business management and human resource expert has written or spoken about the fundamental importance of these types of employee morale-boosting events. We note that there is no DOL guidance which indicates that these types of employee lunches are prohibited under ERISA as a misuse of fund assets.

During the years under audit, the Plans had instituted tighter fiscal discipline which resulted in some discontent in the workforce. The Plans' management determined that it was necessary to incentivize the employees of the Plans with some type of morale-boosting event. If not for these occasional events, it is very likely that the Plans could have lost some valuable and long-term employees during this period.

The Plans also sponsored two events at restaurants for departing senior staff. Honoring such long-term, valuable employees with a small and relatively inexpensive dinner is not contrary to the interests of the Plans, which benefit by being able to attract and retain skilled staff.



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These types of incentivizing and morale-boosting expenditures should not be evaluated alone, but in the context of the compensation of the administrative staff as a whole. Plans periodically conduct compensation studies and salary surveys in order to assess whether the compensation paid to their employees is reasonable. Based on these studies and surveys, the Plans have concluded that the compensation paid to their employees, including the occasional lunch or dinner, is reasonable. Materials related to the Plans' policies with respect to employee compensation are included in Attachment 10.

For the reasons set forth above, we believe that the expenses associated with these employee meals were both reasonable and modest relative to the value that they imparted to the Plans. In addition, as noted above, the Plans have adopted an Expense Policy that we believe properly addresses these issues for the future.

**(b) (4) Use of a (b) (4) Service**

The Plans' analysis of the occasions on which the Plans' Trustees and the Plans' executives utilized a (b) (4) or (b) (4) service and the costs associated with those occasions is provided on a spreadsheet attached hereto as Attachment 11. The analysis demonstrates several points. First, it makes clear that of the thirty-eight (38) instances cited by the Department in which a (b) (4) or (b) (4) was used, the cost for use of the (b) (4) or (b) (4) was less than the use of a taxi on eleven occasions, and was within (b) (4) of the cost of a taxi on four (4) of those occasions. Moreover, the Department should note that at most airports, (b) (4) and (b) (4) companies offer the same rates as taxis for their services in order to compete with the taxi companies for the fare. Furthermore, (b) (4) and (b) (4) are safer than cabs and companies that operate (b) (4) and (b) (4) carry more insurance in the event of an accident. For these reasons, it is our conclusion that the use of a (b) (4) or (b) (4) service is not, *per se*, an unreasonable expense.

Second, the analysis reveals that any "overpayment" for the use of (b) (4) or (b) (4) service is not (b) (4) as the Investigation Letter concludes. The (b) (4) figure represents the total charges associated with the use of a (b) (4) for both Plans. However, even assuming that the use of a (b) (4) or (b) (4) was improper, the total expense does not represent the total overpayment since there would have been some costs incurred even if a taxi had been utilized. As the spreadsheet indicates, even assuming the use of a (b) (4) service constitutes an "unreasonable" charge (which we adamantly disagree with), the total amount of overpayments would be (b) (4), not (b) (4), as the Department asserts.

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We believe that this small amount of money (b) (4) a year over the seven year period covered by the audit), does not reflect a breach of fiduciary duty and that the Plans' Trustees have, in fact, been prudent in their use of transportation. As your letter reflects, the Trustees have adopted an Expense Policy that addresses this issue; accordingly, we respectfully urge the Department to conclude that this action constitutes "proper corrective action" and that no further action is necessary.

**(b) (4) Use of Plan Facilities**

The Department's findings regarding the (b) (4) use of the Plans' conference facility is based on the erroneous premise that the conference facility is the Plans' facility. It is not. The conference room is a facility that is not leased by the Plans, but instead is common property of the Building itself, and is utilized by all tenants. The Plans (like other tenants) have the right to use the facility as part of its lease agreement with the building. The Plans' use is at no additional charge. The Plans' Lease Agreement provides, in pertinent part, as follows:

Conference Center. During the Extended Term, provided that Tenant is not in default under the Lease as amended hereby (beyond expiration of applicable notice and cure periods), Tenant shall continue to have the right to use the approximately 4,586 rentable square foot conference center located in Suite 350 on the third (3<sup>rd</sup>) floor of the Building (the "Conference Center"). Such use of the Conference Center shall be provided without charge to Tenant; provided, however, that the cost of maintaining and operating the Conference Center may be included in Direct Costs subject to and in accordance with the terms of the Lease, and if above-standard cleaning of the Conference Center is required due to Tenant's use of same, Tenant shall reimburse Landlord for Landlord's actual and reasonable out-of-pocket costs directly associated with such above-standard cleaning. Tenant shall use commercially reasonable efforts to allow Landlord and other tenants of the Building to utilize the Conference Center at times that Tenant is not utilizing same.

In fact, the conference facility has been used on numerous occasions and regularly by outside entities, including the International Society of Certified Employee Benefit Specialists and the International Facility Managers Association.

The Investigation Letter erroneously points out that the conference facility was used for meetings of (b) (4) (b) (4). This is not the case; rather, the meetings were held in the conference facility by the Investment Committee of the Foundation for the convenience of (b) (6) the Investment Committee's Chair. The Foundation has its own business offices and



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conference facility where most of its meetings are held, but these meetings were held at the Plans' office building so that (b) (6) could be available to the Plans' staff during the regular work day, if needed. As the (b) (6) of the Plans, (b) (6) worked long – and often irregular – hours. (b) (6)

There was nothing in (b) (6) employment contract which prevented him from being able to participate in charitable activities. In fact, it was because he wanted to spend as little time as possible away from the Plans' offices that he arranged for the meetings of the Foundation's Investment Committee to take place at the Plans' facilities. If those meetings had taken place away from the Plans' office, (b) (6) would have been entitled to leave work to attend those meetings, and would have been less available to the Plans' staff during that period of time.

Furthermore, it is erroneous to claim that the Plans' employees helped to prepare for these meetings. It is our understanding that any "preparation" for the meetings by the Plans' staff would have been extremely minimal and limited to things like making sure the doors to the room were unlocked, the lights and sound system were turned on, the elevators were available, and that the receptionist knew where to direct those who were attending the meeting.

Thus, the use of the conference room by the Foundation's Investment Committee did not involve the use of the Plans' assets. As we have pointed out, the room is an asset of the Building and is not leased to the Plans, there was no charge to the Foundation for its use of the conference room and any involvement of the Plans' staff was, at best, minimal and did not result in additional costs to the Plans.

#### Services by a Party in Interest

The Department appears to be unaware of, or perhaps to have overlooked, a number of facts with respect to this item. First, at all times, the Plans utilized two insurance brokerage firms, (b) (4) and (b) (4) Insurance Services ((b) (4)). Each firm handled a number of policies. Nuwest was responsible for several more policies than (b) (4). Each firm brought its own strengths to the process – (b) (4) had a national presence and was one of the ten largest insurance brokers in the United States.

Second, at all times, (b) (6), (b) (7)(C), was responsible for managing the relationship with (b) (4) and (b) (4). (b) (6) was never involved in any way with this process. He did not participate in or become involved with the Plans' relationship with these companies. When (b) (6), (b) (7)(C) terminated (b) (4) in 2010, (b) (6), (b) (7)(C) did so without consulting (b) (6).

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The Plans retained (b) (4) (b) (6), (b) (7)(C)

In order for a prohibited transaction to take place, a plan fiduciary must cause a transaction between the Plan and a party in interest to take place that involves plan assets. Here, the initial transaction occurred before (b) (6), (b) (7)(C) could in any way be considered a party in interest. Only (b) (6), (b) (7)(C) might have changed that. Subsequent transactions would be renewals of the relationship with (b) (4). Again, (b) (6), (b) (7)(C), not (b) (6), decided to retain (b) (4) in future years. (b) (6) had no part in the decision making, so by definition, there was no prohibited transaction regardless of (b) (6), (b) (7)(C).

After the 2006 policy year, despite the fact that (b) (6) was not involved in the process and the Plans were satisfied with their insurance services, (b) (6) made a request to (b) (4) that (b) (6), (b) (7)(C) not be involved in, or receive any compensation in connection with, the Plans' account. (b) (6) wished to avoid the appearance of a conflict of interest despite the fact that no actual conflict of interest existed. The allocation of responsibility among Plans' staff delegated the authority to hire, fire and oversee insurance agents and consultants to the (b) (6); as a result (b) (6), in his capacity as (b) (6), had no responsibility or involvement with the Plans' insurance issues. Our review of records furnished by (b) (4) indicates that (b) (6), (b) (7)(C) in 2007 with respect to the Plans, and (b) (4) representatives have informed us that even that compensation was paid in error. A copy of the portion of the (b) (4) report indicating the very small compensation payment made to (b) (6), (b) (7)(C) in 2007 is included as Attachment 12.

(b) (6), (b) (7)(C) was a junior executive of (b) (4), but had no control over (b) (4) major decisions. When (b) (6), (b) (7)(C) retained (b) (4) initially and in renewals, (b) (4) decided which of its executives was to handle the Plans' business. (b) (4) decided to keep (b) (6), (b) (7)(C) on the account through the 2006 policy year because the Plans were satisfied with her work and because of her experience as an agent with over twenty years of experience in the insurance industry. However, (b) (4) could have just as easily decided to put (b) (6), (b) (7)(C) on a different account and put someone else on the Plans' account. Further, the Plans did not compensate (b) (6), (b) (7)(C) in any way – the Plans simply paid premiums to (b) (4) which then compensated its employees as it saw fit.

A prohibited transaction must involve plan assets – in this case, the Plans' assets are not involved in (b) (6), (b) (7)(C) compensation. Also, the amount paid to (b) (4) is the same premium that the Plans would have paid to the few other competitors of (b) (4) in the industry. Hence, the Plans are not adversely affected whatsoever from a financial point of view by (b) (6), (b) (7)(C) decision to retain (b) (4). The only differentiating factor is the quality of service provided to the Plans, and as mentioned earlier, (b) (6), (b) (7)(C) decided that the quality of service provided by (b) (4) was excellent.



(b) (6), (b) (7)(C)

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Self-Dealing by Plan Fiduciary

As the Investigation Letter correctly notes, (b) (6) fraudulent activities were discovered by the Plans' auditors and the Plans were able to recover the loss under the Plans' Fiduciary Dishonesty Policy. Although the Investigation Letter does not so state, all losses incurred by the Plans were recovered.

While the Investigation Letter refers to further proceedings against (b) (6), the Investigation Letter does not reflect the fact that those proceedings are not taking place in an effort to recover any losses since all of those losses have already been recovered through the Plans' insurance carrier. The aforementioned proceedings were conducted in accordance with the Plans' insurance policy and pursuant to the Plans' obligation thereunder to assist the insurance carrier in its efforts to recover the amounts that the insurance carrier paid out to the Plans from the aforementioned parties.

We do not dispute the fact that (b) (6) was not acting in the interest of the Plans' participants when he engaged in these unlawful schemes. And we express no opinion regarding whether or not he would be considered a fiduciary under ERISA. However, we take the strongest possible exception to the statement that the Trustees failed to act prudently by failing to adequately monitor the Plans' service providers. There are no facts to substantiate that conclusion. To the contrary, the facts show conclusively that the Trustees acted entirely appropriately. First, there was nothing in (b) (6) background that would suggest that he might concoct a scheme arranging for companies to be paid for non-existent work and to kick back money paid to them. (b) (6)

The Plans' staff identified the suspicious invoices and conducted the investigation along with the Plans' auditors, (b) (4). After the discovery, the Trustees cancelled any further work by (b) (6) and his associates, terminated (b) (6) employment and successfully took steps to make the Plans whole for the losses through filing a claim with the Plans' insurance carrier.

It is the nature of any internal fraudulent scheme to seek to avoid detection; particularly one involving a senior executive determined to hide the scheme. There are no facts upon which to base any conclusion that this kind of fraudulent activity could have been discovered any earlier than it was.

For the reasons set forth above, it is our conclusion that the Trustees took every action to adequately monitor the Plans' service providers, discharged their duties for the exclusive purpose

(b) (6), (b) (7)(C)

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of providing benefits to the Plans' participants and beneficiaries and acted in accordance with their fiduciary obligations under ERISA Sections 404(a)(1)(A) and (B).

#### Excessive Investment Management Fees

We take exception with the Department's findings, set forth in the Investigation Letter, as they relate to the Plans' Investment Management fees for several reasons. The investment at issue here is the (b) (4). All of the other funds in which the Plans invested were run by a manager who acknowledges that he or she is a fiduciary to the Plans and thereby an investment manager under Section 3(38) of ERISA. The Fund is structured as a fund of funds with the result being that the individual who decides what percentage of the Plans' investments should be allocated to each of the underlying funds is not a fiduciary to the Plans and does not acknowledge that he or she is an investment manager. Therefore, it was an appropriate exercise of the Trustees' fiduciary authority to retain (b) (4) to serve as fiduciary with respect to the investment and thereby have oversight over the management of this investment.

The Department claims that the services provided by (b) (4) were "more in line with an investment consultant." An investment consultant like (b) (4) provides an overall strategic vision, provides advice in the selection of investment managers who manage funds of the Plans in a fiduciary capacity, and reviews the performance of the selected investment managers. (b) (4) provided no such advice or services to the Plans. Instead, (b) (4) was retained as a fiduciary to manage the Fund.

When a plan retains an investment manager to invest plan assets, that investment manager becomes a fiduciary under Section 3(38) of ERISA, and the trustees' obligations as fiduciaries are satisfied so long as those trustees have acted prudently in the selection and review of those managers. If the Fund is not managed by an investment manager and instead is "merely a publicly traded mutual fund," then the Trustees could be liable for the decisions made by, and the performance of, the Fund.

It is clear that the Fund manager would not be considered a fiduciary to the Plans. A mutual fund has a fiduciary duty to the shareholders of those companies, not the investors in the fund, itself. **Jones v. Harris Associates L.P.**, 559 U.S. 335, 130 S.Ct. 1418, U.S. 2010, March 30, 2010. In addition, the Fund manager refused to acknowledge that it was a fiduciary to the Plans as required by ERISA Section 3(38).

Additionally, the Trustees' concern about this investment was warranted because of the nature of the Fund, which is a fund of funds. We direct your attention to a November 8, 2011 Report prepared by the Department of Labor, EBSA Advisory Council on Employee Welfare and



(b) (6), (b) (7)(C)

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Pension Benefit Plans (the “Council”) entitled “Hedge Funds and Private Equity Investments” (the “Report”). As noted in that Report, “[u]nlike mutual funds and other registered investment companies, hedge funds and private equity funds escape the registration requirement under section 3(c)(1) or 3(c)(7) of the Investment Company Act of 1940....” (Report, Background, Section C). Although (b) (4) was registered, the Report noted the fact that an unregistered hedge fund would – like a mutual fund – not be considered an ERISA fiduciary. (Report, Background, Section B). As a result, the trustees of a plan that is investing in either a registered mutual fund or an unregistered hedge fund may not have the expertise to prudently review those funds adequately.

The Report refers to a number of previous reports relevant to these very serious concerns regarding the investment of ERISA plans in these sorts of funds. The Report refers to a 1996 Information Letter to the Controller of the currency, Eugene Ludwig, regarding the investment of ERISA plan assets in derivatives; a 2006 report of the Council entitled “Prudent Investment Processes,” which recommended that the DOL publish best practices guidance on the unique features of hedge funds and include matters that should be considered when plans invest in hedge funds; a GAO report recommending that the Secretary of Labor provide guidance specifically for ERISA plans on investing in hedge funds and private equity funds; a 2008 Council report on “Hard to Value Assets and Target Date Funds” that touch on aspects of hedge fund investments; and a 2009 report by a committee established by the President’s Working Group on Financial Markets on best practices for hedge fund investors, which includes a Fiduciary Guide for those overseeing the investments. (Report, Background, Section B).

Based on the testimony received by the Council, and its review of the history of this issue, the Council reached conclusions regarding investments in hedge funds, but which are applicable to the investment by Plans in mutual funds:

After receiving comprehensive testimony from the witnesses, the Council members discussed what conclusions they had drawn that could provide the basis for recommendations to the DOL. From the testimony, the Council understands that many large plans have the ability and resources to conduct the appropriate level of due diligence required to support investments in hedge funds and/or private equity funds. Several of these large plans, and the practices they established contributed to the work of the Investors’ Committee established by the President’s Working Group on Financial Markets regarding best practices for hedge fund investments. Despite the existence of such resources, the Council is particularly concerned about whether sponsors of mid-sized and small plans are experienced enough, or have the adequate resources to effectively evaluate the complexities of these investments and to make a prudent decision on whether to

(b) (6), (b) (7)(C)

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invest in such investment options. From the testimony presented, the Council believes that these plans are not likely to be handling the due diligence process themselves, but rather are likely to have the due diligence of the hedge funds and/or private equity funds conducted by the manager of a fund of funds, or an outside investment firm retained by the plan sponsor. ***However, in such cases, plan sponsors cannot blindly rely on their professionals' opinions and advice, given that plan sponsors are obligated under the prudent investor requirement of ERISA to retain independent professionals who have the requisite knowledge to assist the plan sponsors in understanding the nature of these investments and how they may affect the plan's overall investment performance, and must have an understanding of what the professional is doing and recommending.***

(Emphasis added)

We note that the question of whether and when to retain outside fiduciaries continues to receive attention from the Department. The topic was extensively addressed just months ago in a November, 2014 Report on Outsourcing Employee Benefit Plan Services by the Advisory Council on Employee Welfare and Pension Benefit Plans. Among other things, one of the themes of that Report is, as the Report notes on page 8, that “[m]ultiple witnesses stated that many plan fiduciaries look to outsourcing arrangements in order to limit their exposure to fiduciary liability under ERISA.”

We believe that the Trustees here were diligent and prudent in carefully considering all of these issues and exercised more than reasonable judgment in retaining (b) (4) at the rates that (b) (4) demanded for these services. (b) (4)

(b) (4)





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**(b) (4)**



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(b) (4)

A copy of these minutes is enclosed as Attachment 13.

Reports were subsequently provided to (b) (4) and by (b) (4) itself. We include those reports with this letter in Attachment 14.

(b) (4)



(b) (6), (b) (7)(C)

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(b) (4)

As the Fourth Circuit has stated, a fiduciary is not required “to make a decision that in the light of hindsight proves best. Instead, a fiduciary need only adhere to its ERISA duties to avoid liability. So long as a fiduciary undertakes a reasoned decision-making process, it need never fear monetary liability for an investment decision it determines to be in the beneficiaries’ best interests. This is so even if that investment decision yields an outcome that in hindsight proves...less than optimal. Indeed, our holding, like ERISA’s statutory scheme, acknowledges the uncertainty of outcomes inherent in any investment decision. Precisely for this reason, ERISA requires fiduciaries to undertake a reasoned decision-making process *prior* to making such decisions.” **Tatum v. RJR Pension Investment Committee**, 761 F.3d 346, 369 (4<sup>th</sup> Cir. 2014).

The Investigation Letter does not find that the Trustees failed to undertake a reasoned decision-making process prior to making their decision to retain (b) (4) in 2005 and we respectfully suggest that there could not be any basis for such a conclusion. Accordingly, we strongly urge the Department to reconsider its findings in this regard.



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(b) (6), (b) (7)(C)

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## CONCLUSION

For the reasons set forth above, we respectfully request that the Department find that the Plans' Trustees are not in violation of ERISA and, to the extent that the Department concludes otherwise after reviewing the information and documentation provided herein, the Trustees submit that any necessary corrective action has already been taken and any alleged losses already restored to the Plans. Accordingly, there is no reason why the Department should feel compelled to refer this matter to the Office of the Solicitor of Labor or to bring a lawsuit.

We greatly appreciate the Department having provided us with the opportunity to respond to the Investigation Letter on behalf of the Plans and the Plans' Trustees. We would be happy to provide any additional facts, documents or comments that you believe would assist the Department in this investigation. And to the extent that the Department disagrees with any of the conclusions reached herein, we would appreciate the opportunity to respond and/or discuss the matter with you.

Very truly yours,

(b) (6)

MHH:MM  
Attachments



# ATTACHMENT 1

Year	Subtotal	Est. Number of meetings	Ave Attendance	Est. ave cost per person
2007	(b) (4)			
2008				
2009				
2010				
2011				
2012				
2013 *				
other meetings				
Total				

\* changed catering vendors early 2013



# ATTACHMENT 2

DOL					SAG-PHP Additional Research				
Date	Amount	Description	Pension	Health	Meeting Date	Meeting Description	Est. Number of meetings	Est. number of attendees	Est. Average cost per person
11/15/2007	(b) (4)	appeals meeting breakfast	(b) (4)	(b) (4)	11/16/2007	benefit appeals	(b) (4)	(b) (4)	(b) (4)
Subtotal									
1/10/2008		benefit appeals breakfast			01/11/2008	benefit appeals			
10/16/2008		breakfast board meeting			10/17/2008	benefit appeals			
12/4/2008		breakfast finance sub-committee meeting			12/05/2008	benefit appeals			
10/1/2008		breakfast board meeting			10/02/2008	committee's meet (boards day 1)			
10/2/2008		breakfast board meeting			10/03/2008	boards day 2			
Subtotal									
8/27/2009		appeals meeting			08/28/2009	benefit appeals - breakfast			
8/27/2009		appeals meeting			08/28/2009	benefit appeals - lunch			
11/19/2009		appeals meeting			11/20/2009	benefit appeals - breakfast			
11/20/2009		appeals meeting			11/20/2009	benefit appeals - lunch			
10/21/2009		board meeting			10/22/2009	boards day 1 (committee's meet) - breakfast			
10/22/2009		board meeting			10/22/2009	boards day 1 (committee's meet) - lunch			
10/22/2009		board meeting			10/23/2009	boards day 2 - breakfast			
10/22/2009		board meeting			10/23/2009	boards day 2 - lunch			
Subtotal									
1/21/2010		board appeals meeting			01/22/2010	benefit appeals - breakfast			
1/21/2010		board appeals meeting			01/22/2010	benefit appeals - lunch			
4/8/2010		appeals meeting			04/09/2010	benefit appeals - breakfast			
4/6/2010		appeals meeting			04/09/2010	benefit appeals - lunch			
6/17/2010		appeals meeting 6/18			06/18/2010	benefit appeals - breakfast			
6/11/2010		appeals meeting 6/18			06/18/2010	benefit appeals - lunch			
11/4/2010		appeals catering			11/05/2010	benefit appeals - breakfast			
11/1/2010		appeals meeting			11/05/2010	benefit appeals - lunch			
02/11/2010		finance sub-committee meeting			2/11/2010	investment sub-committee			
05/10/2010		finance sub-committee meeting			05/13/2010	investment sub-committee			
03/10/2010		commercial allocation meeting			03/11/2010	committee's meet (boards day 1)			
3/10/2010		breakfast catering boards day 1			03/11/2010	boards day 1 (committee's meet ) - breakfast			
3/10/2010		catering boards day 1			03/11/2010	boards day 1 (committee's meet ) - lunch			
3/11/2010		breakfast catering boards day 2			03/12/2010	boards day 2 - breakfast			
3/10/2010		catering boards day 2			03/12/2010	boards day 2 - lunch			
7/14/2010		July boards 7/15			07/15/2010	boards day 1 (committee's meet ) - breakfast			
7/12/2010		July boards 7/15			07/15/2010	boards day 1 (committee's meet ) - lunch			
7/15/2010	July boards 7/16	07/16/2010	boards day 2 - breakfast						
7/12/2010	July boards 7/16	07/16/2010	boards day 2 - lunch						
Subtotal									



1/6/2011	(b) (4)	board meeting	(b) (4)	01/07/2011	boards day 1 - committee's meet - breakfast	(b) (4)
1/3/2011		board meeting day 1		01/06/2011	boards day 1 - committee's meet - lunch	
1/4/2011		board meeting day 1		01/06/2011	boards day 1 - committee's meet - ??	
1/5/2011		board meeting		01/06/2011	boards day 2	
1/4/2011		board meeting day 2		01/07/2011	boards day 2 - breakfast	
1/3/2011		board meeting day 2		01/07/2011	boards day 2 - lunch	
1/20/2011		appeals meeting		01/21/2011	benefit appeals - breakfast	
1/19/2011		appeals meeting		01/21/2011	benefit appeals - lunch	
3/23/2011		board meeting day 1		03/24/2011	committee's meet (boards day 1)	
3/23/2011		board meeting day 1 on 3/24		03/24/2011	committee's meet (boards day 1)	
3/29/2011		board meeting		03/25/2011	boards (day not specified or known)	
3/24/2011		board meeting day 2		03/25/2011	boards day 2	
3/23/2011		board meeting day 2 on 3/25		03/25/2011	boards day 2	
6/9/2011		appeals meeting		06/10/2011	benefit appeals - breakfast	
6/9/2011		appeals meeting		06/10/2011	benefit appeals - lunch	
7/18/2011		board meeting		07/21/2011	committee's meet (boards day 1)	
7/20/2011		board meeting		07/21/2011	committee's meet (boards day 1)	
7/18/2011		board meeting		07/22/2011	boards day 2	
7/21/2011		board meeting		07/22/2011	boards day 2	
9/8/2011		appeals meeting		09/09/2011	benefit appeals - breakfast	
9/2/2011		appeals meeting		09/09/2011	benefit appeals - lunch	
9/16/2011		appeals meeting		09/09/2011	benefit appeals	
09/20/2011		appeals meeting		09/21/2011	investment sub-committee	
11/9/2011		board meeting		11/15/2011	committee's meet (boards day 1)	
11/10/2011		board meeting		11/15/2011	committee's meet (boards day 1)	
11/16/2011		board meeting		11/15/2011	committee's meet (boards day 1)	
11/9/2011		board meeting		11/16/2011	boards day 2	
11/16/2011		board meeting		11/16/2011	boards day 2	
11/19/2011		board meeting		11/16/2011	boards day 2	
12/1/2011		finance sub-committee meeting		12/02/2011	benefit appeals - breakfast	
11/29/2011		appeals meeting		12/02/2011	benefit appeals - lunch	
<b>Subtotal</b>						
2/7/2012		board meeting		02/10/2012	benefit appeals	
3/22/2012		board meeting		03/28-03/30/2012	P&H committee & boards	
4/21/2012		appeals meeting		04/20/2012	benefit appeals - breakfast	
4/17/2012		appeals meeting		04/20/2012	benefit appeals - lunch	
05/05/2012		finance sub-committee meeting		05/09/2012	investment sub-committee	
6/12/2012		appeals meeting		06/15/2012	benefit appeals	
7/24/2012		investment sub-committee		07/19/2012	Boards day 1 - breakfast	
7/13/2012		finance sub-committee meeting		07/19/2012	Boards day 1 - lunch	
7/21/2012		investment sub-committee		07/19/2012	Boards day 2 - breakfast	
7/13/2012		finance sub-committee meeting		07/19/2012	Boards day 2 - lunch	
08/07/2012		appeals meeting		08/08/2012	benefit design subcommittee	
8/12/2012		appeals meeting		08/10/2012	benefit appeals	
9/22/2012		appeals meeting		09/28/2012	benefit appeals	
10/23/2012		investment retreat		10/17/2012	investment retreat - breakfast	
12/12/2012		investment retreat		10/17/2012	investment retreat - lunch	
10/23/2012		board meeting		10/18/2012	boards day 1 (committee's meet) - breakfast	
12/12/2012		board meeting		10/18/2012	committee's meet (boards day 1)	
10/23/2012		board meeting		10/19/2012	boards day 2	
12/12/2012		board meeting		10/19/2012	boards day 2	
<b>Subtotal</b>						

1/31/2013	(b) (4)	appeals meeting	(b) (4)	02/01/2013	benefit appeals	(b) (4)									
4/14/2013		breakfast appeals meeting		04/12/2013	benefit appeals - breakfast										
4/13/2013		lunch appeals meeting		04/12/2013	benefit appeals - lunch										
4/27/2013		breakfast board meeting day 1		04/25/2013	boards day 1 (committee's meet) - breakfast										
4/25/2013		lunch board meeting day 1		04/25/2013	boards day 1 (committee's meet) - lunch										
4/28/2013		breakfast board meeting day 2		04/26/2013	boards day 2 - breakfast										
4/26/2013		lunch board meeting day 2		04/26/2013	boards day 2 - Lunch										
6/8/2013		appeals breakfast		06/07/2013	benefit appeals										
7/21/2013		boards breakfast day 1		07/18/2013	boards day 1 (committee's meet) - breakfast										
7/19/2013		lunch board meeting (day 1)		07/18/2013	boards day 1 (committee's meet) - lunch										
7/21/2013		boards breakfast day 2		07/19/2013	boards day 2 - breakfast										
7/19/2013		lunch board meeting day 2		07/19/2013	boards day 2 - Lunch										
8/11/2013		benefit appeals breakfast		08/09/2013	benefit appeals										
10/6/2013		benefit appeals breakfast		10/04/2013	benefit appeals										
11/14/2013		investment sub-committee breakfast		11/13/2013	investment retreat - breakfast										
11/14/2013		investment sub-committee lunch		11/13/2013	investment retreat - lunch										
11/16/2013		boards breakfast day 1		11/14/2013	boards day 1 (committee's meet) - breakfast										
11/15/2013		lunch board meeting (day 1)		11/14/2013	boards day 1 (committee's meet) - lunch										
11/16/2013		boards breakfast day 2		11/15/2013	boards day 2 - breakfast										
11/15/2013		lunch board meeting day 2		11/15/2013	boards day 2 - Lunch										
12/12/2013		benefits appeals		12/13/2013	benefit appeals										
12/15/2013		appeals breakfast 12/13		12/13/2013	benefit appeals										
12/30/2013		appeals lunch 12/13		12/13/2013	benefit appeals										
12/6/2013		benefits appeals		12/13/2013	benefit appeals										
Subtotal															
ADDITIONAL NOTES															
05/12/2011		appeals meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
05/24/2011		investments meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
04/05/2012		board meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
04/05/2012		board meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
10/01/2012		appeals meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
06/21/2012		appeals meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
05/10/2010		national healthcare system catering/meeting		information that any meeting took place this day/year (or within 1.5 weeks from date indicated) can not be validated											
Subtotal															
Total															



# ATTACHMENT 3

DOL	SAG-PPHP Additional Research
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Date	Amount	Description	Pension	Health	IACF	Receipt?	Who's in attendance	Where	Why	Date Range
5/16/2006	(b) (4)									
11/3/2009										
5/10/2011										
Totals:										

(b) (4)



DOL					
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Date	Amount	Description	Pension	Health	IACF
6/23/2007	(b) (4)	executive retreat	(b) (4)		
Totals:	(b) (4)				

SAG-PPHP Additional Research		
------------------------------	--	--

Attendance	Where	Date Range
(b) (6), (b) (7)(C)	(b) (4)	06/01/07 - 06/03/07 (Friday - Sunday)

Material presented at meeting is available for review.  
 Although Bruce and Sharman attended no room was needed

# ATTACHMENT 9



DOL										
Date	Amount	Description	Pension	Health	IACF	Vendor	Hosted	Additional Info	Est. Number of attendees	Est. Cost per person
2/3/2006	(b) (4)	contribution compliance appreciation dinner	(b) (4)			(b) (4)	at restaurant	(b) (4), (b) (6), (b) (7)(C)		
4/17/2006	(b) (4)	employee appreciation luncheon	(b) (4)			(b) (4)	on site			
11/2/2007	(b) (4)	Lunch - offsite training for CIO and IT managers	(b) (4)			(b) (4)	at restaurant			
1/15/2009	(b) (4)	Corner Bakery catering charges	(b) (4)			(b) (4)	on site			
7/30/2010	(b) (4)	HR employee lunch	(b) (4)			(b) (4)	on site			
9/9/2010	(b) (4)	food truck for picture day	(b) (4)			(b) (4)	on site			
10/29/2010	(b) (4)	lunch truck for Halloween	(b) (4)			(b) (4)	on site			
12/4/2013	(b) (4)	staff training lunch	(b) (4)			(b) (4)	on site			
Totals:										

# ATTACHMENT 11

## DOL

## SAG-PPHP Additional Research

Date	Amount	Description	Allocated Amount (Pension)	Allocated Amount (Health)	Allocated Amount (IACF)
10/19/2009	(b) (4)	Chicago trust visit	(b) (4)		
10/20/2009		Chicago trust visit			
10/22/2009		board meeting			
10/22/2009		board meeting			
10/22/2009		board meeting			
10/22/2009		board meeting			
10/22/2009		board meeting			
10/23/2009		board meeting			
10/26/2009		board meeting			

Passenger	To/From Location	MEETING	Estimated Taxi Fare	Variance
(b) (6), (b) (7)(C)	Chicago O'Hare Int'l Airport/Dana Hotel	(b) (4)		
	Dana Hotel/NT (50 S. LaSalle Street, Chicago)			
	1329 Albany Post Road, Croton On Hudson, NY 10520/JFK			
	165 East 32nd. Street, New York, NY 10016/JFK			
	LAX/322 North Pass Ave. Burbank, CA 91505 (Amarano Hotel)			
	LAX/1543 North Curson Ave. Los Angeles, CA 90046			
	LAX/322 North Pass Ave. Burbank, CA 91505 (Amarano Hotel)			
	LAX/4419 Clybourne Ave., Toluca Lake, CA 91602			
	Plan Office/14920 Ramos Place, Pacific Palisades, CA 90272			



10/26/2009	(b) (4)	board meeting	(b) (4)
10/26/2009		board meeting	
10/26/2009		board meeting	
10/26/2009		board meeting	
10/26/2009		board meeting	
11/3/2009		Chicago trust visit	
11/6/2009		IFEBP conference	
11/9/2009		IFEBP conference	
11/10/2009		IFEBP conference	
11/10/2009		IFEBP conference	
2/11/2010		finance sub-committee	

(b) (6), (b) (7)(C)	1543 North Curson Ave. Los Angeles, CA 90046/LAX	(b) (4)
	322 North Pass Ave. Burbank, CA 91505 (Amarano Hotel)/LAX	
	322 North Pass Ave. Burbank, CA 91505 (Amarano Hotel)/LAX	
	Newark Airport/Manhattan, NY 10001	
	JFK/165 East 32nd. Street, New York, NY 10016	
	4419 Clybourne Ave., Toluca Lake, CA 91602/LAX	
	4419 Clybourne Ave., Toluca Lake, CA 91602/LAX	
	Orlando Int'l Airport/4401 Floridan Way, Orlando, FL 32830	
	LAX/4419 Clybourne Ave., Toluca Lake, CA 91602	
	1500 Epcot Resort Blvd., Orlando, FL 32830/Orlando Int'l Airport	
	LAX/322 North Pass Ave. Burbank, CA 91505 (Amarano Hotel)	

2/16/2010	(b) (4)	finance sub-committee	(b) (4)
3/2/2010		NA	
3/10/2010		board meeting	
3/11/2010		board meeting	
3/11/2010		board meeting	
3/15/2010		board meeting	
3/16/2010		board meeting	
3/17/2010		board meeting	
4/2/2010		board meeting	

(b) (6), (b) (7)(C)	322 North Pass Ave. Burbank, CA 91505 (Amarano Hotel)/LAX	(b) (4)
	LAX/4419 Clybourne Ave., Toluca Lake, CA 91602	
	LAX/Hilton Universal	
	1329 Albany Post Road, Croton On Hudson, NY 10520/HPN, Westchester County Airport	
	Burbank Airport/322 North Pass Ave. Burbank, CA 91505 (Amaramo Hotel)	
	Hilton Universal/LAX	
	JFK/1329 Albany Post Road, Croton On Hudson, NY 10520	
	322 North Pass Ave. Burbank, CA 91505 (Amaramo Hotel)/LAX	
	LAX/322 North Pass Ave. Burbank, CA 91505 (Amaramo Hotel)	

7/15/2010	(b) (4)	board meeting	(b) (4)
7/15/2010		board meeting	
7/16/2010		board meeting	
7/16/2010		board meeting	
7/19/2010		board meeting	
7/19/2010		board meeting	
7/19/2010		board meeting	
7/19/2010		board meeting	
10/20/2013		IFEBP conference	
10/23/2013		IFEBP conference	
10/23/2013		IFEBP conference	
Totals:			

(b) (6), (b) (7)(C)	Croton on Hudson/JFK	(b) (4)
	LAX/CA Amarano Hotel	
	LAX/Burbank	
	LAX/CA-Hilton Univers	
	CA-Hilton Univers/LAX	
	JFK/Croton on Hudson	
	Burbank/LAX	
	CA Amarano Hotel/LAX	
	Encino/BUR	
	LAX/Manhattan Beach	
	BUR/Encino	