



Memo, 9 Pages

MEMBERS

- A-Aztec Glass Company, LLC
- Access Architectural Glass & Aluminum
- All Action Architectural Metal & Glass
- Boss Glass Company, Inc.
- City/Newark Glass Company
- Clear View Architectural Metal & Glass, Inc.
- Clifton Architectural Glass & Metal
- County Glass & Metal Installers, Inc.
- Eighteen Glass Co., Inc.
- General Glass & Metal LLC
- Glass Services, Inc.
- Glass Unlimited
- Goldberg Glass Company
- Highland Park Glass Company
- Josloff Glass Company
- Kosson & Sons Glass Company
- Metro Glass, Inc.
- Monarch Glass & Metal Designs, Inc.
- NCF Glazing & Erecting, Inc.
- New Age Glass, LLC
- Ocean County Glass & Metal, LLC
- Penta Glass Industries, Inc.
- Smith Glass & Metal Company, LLC
- Snow's Glass & Mirror Corp.
- Thompson Glass & Mirror, Inc.
- Trainor Glass Company
- Union County Plate Glass Company
- Village Glass & Metal Contractors
- Young's Glass Services, Inc.

To: Contractor Members
From: Bernie Gingras
Re: Union Payroll Audits
Date: August 25, 2009

DIRECTORS

- Kevin Schloerb, President
- Charlie Komoroski, III., Vice-President
- Al Reynolds, Treasurer
- Frank Miller, III, Secretary
- Lawrence Josloff, Director
- Vincent Fiorito, Director
- Alan Oake, Director

EXECUTIVE DIRECTOR

Bernard R. Gingras, CPA

Member,
Finishing Contractors Association (FCA)

U.S. Green Building Council (USGBC)

An OSHA Alliance Organization

Frequently we receive a call from a contractor who has been contacted by the auditors for DC711 requesting records for a payroll audit. The question is, "Must I comply?" The answer quite simply is YES. Your Collective Bargaining Agreement states in Section 12.3(b) "the Employer hereby understand, accepts, and agrees to be bound by all provisions set forth in the Agreements and Declarations of Trust that have been adopted by the Parties to each of the respective Funds identified above, including all amendments and modifications made thereto, and the Employer hereby agrees to be bound by the said Agreements and Declaration of Trust as though actually signed by the Employer."

Each one of the trust documents for the various funds contains language that the trustees may direct an audit of records. For example, Section 5.5 of the Health and Welfare Benefit Fund states "the Trustees may at any time have an audit made by a certified public accountant of the payroll and wage and other relevant records of any Employer in connection with said contributions and/or reports. The Employer agrees to cooperate fully in the conduct of such audit and further agrees to make available to the auditor any relevant financial records and/or reports that may be needed for a complete audit."

Attached to this memo are relevant sections of a sample trust document as well as our CBA which indicates the authority to audit and your required compliance. I would have to think that all union contracts and trust documents have similar "linking" language. Also attached is a recent document request by the current auditors for District Council 711 stating the records that they request for the audit. Of course this is subject to change but it is just provided to give you an idea of what is normally required.

If you have any questions regarding this please feel free to give me a call.

BRG:ss
 Enclosures
 CC: H. Harchetts
 C. Sommers
 Web Page

-Article 12 is hereby amended as follows:

-ARTICLE 12- FRINGE BENEFIT FUNDS-

12.1 By Agreements and Declarations of Trust the Union and the Employer Association have established certain Fringe Benefit Trust Funds ("Trust Funds"), which are hereby acknowledge by the parties. For the duration of this Agreement, and any renewals or extensions hereof, the Employer agrees to make payments to the Trust Funds set forth herein for each employee covered by this Agreement in accordance with the schedules attached hereto and as may be mutually agreed upon by the parties.

12.2 The following Trust Funds have been heretofore established by Agreement and Declaration of Trust by the parties and constitute the "Trust Funds" to which this Article refers:

- Painters District Council 711 Health and Welfare Fund (Health and Welfare Fund)
- International Painters and Allied Trades Industry Pension Fund (Pension Fund)
- International Painters and Allied Trades Annuity Fund (Annuity Fund)
- IUPAT Finishing Trades Institute (IUPAT FTI)
- Painters and Allied Trades Labor Management Cooperation Initiative (LMCI)
- District Council 711 Finishing Trades Institute (DC711FTI)
- District Council 711 Vacation Fund (Vacation Fund)

12.3 The Employer agrees that for each hour or portion of an hour for which an employee works (to include show-up time), the Employer shall make a contribution in the current allocation per the appropriate schedule herein to the Trust Funds. Contributions to the Annuity Fund shall, however, be made on a percentage of pay basis rather than on an hours worked basis.

- (a). Contributions shall be paid on behalf of any employee starting with the employee's first hour of employment in a job classification covered by this agreement. This includes, but is not limited to, apprentices, journeypersons, trainees, and probationary employees.
- (b). Payments to the Pension Fund, Annuity Fund, IUPAT FTI Fund and LMCI Fund described above shall be made separately to each respective Fund or as otherwise set forth in written instructions that the Employer shall receive from the Administrator of each Fund. The Employer hereby understand, accepts, and agrees to be bound by all provisions set forth in the Agreements and Declarations of Trust that have been adopted by the Parties to each of the respective Funds identified above, including all amendments and modifications made thereto, and the Employer hereby agrees to be bound by the said Agreements and Declaration of Trust as though actually signed by Employer.

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- (c). Upon receipt of a written directive to do so by the Administrator or Trustees of the Funds and Organizations the Employer will make all required payments, either directly or through an intermediate body, to the "Central Collections" Unit of the International Union and its affiliated Funds and organizations. Such contributions shall be submitted on appropriate forms, in such format and with such information as may be required by Central Collections and/or District Council 711.
 - (d). The Association and the Union hereby irrevocably designates as their representatives on the Board of Trustees of The Funds such Trustees as are now serving or will serve in the future as Trustees, together with their successors as provided in the Agreements and Declarations of Trust.
 - (e). The parties hereto further agree to be bound by all actions taken by the Trustees of the Funds pursuant to the said Agreements and Declarations of Trust, as amended from time to time.
 - (f). Each of the respective Funds described in paragraph 1 hereof shall, at all times, conform with the requirements of the Internal Revenue Code and other applicable laws and regulations so as to enable the Employer, at all times, to treat contributions by them as deduction for income tax purposes
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Article 13 is hereby amended as follows:

-ARTICLE 13- INDUSTRY ADVANCEMENT FUND AND POLITICAL ACTION FUND-

13.1 Effective May1, 2008 each Employer shall make a contribution of fifteen cents (\$0.15) per hour, per glazer for each hour worked by each employee to the New Jersey Glass and Metal Contractors Association Industry Advancement Fund heretofore established and administered by Trustees appointed by the Association solely for the advancement and improvement of the Trade and the payment of expenses in carrying out such programs and responsibilities. The Administrator of The Funds shall collect the promotion fund monies from each employer at the same time as other Fringe Benefit payments are collected and remit the Industry Promotion Fund contributions to the Trustees designated by the Association on a monthly basis together with a report detailing the amounts collected from each employer.

13.2 Employers signatory to this Agreement shall deduct from the wages of each Union employee the voluntary sum of ten cents (\$0.10) for each hour worked as a non-deductible political contribution to the DC711 Political Action Committee (PAC) The obligation of the Employer shall apply only to those Employees have voluntarily signed a valid deduction authorization card. The Union shall advise the Employer of any Employee who has not signed a deduction authorization card.

-Article 14 is hereby deleted in its entirety-

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pay any accountants' and/or attorneys' fees incurred by the union and/or the joint trust funds, plus costs of the litigation that have resulted from such legal action provided, however, that if such litigation determines that the employer is not in violation of this article, the prevailing party shall be entitled to said fees from the losing party. This section does not affect other remedies, whether provided by law or this agreement that may be available to the union and/or the Joint Trust Funds.

- ARTICLE 19 - JOINT TRADE BOARDS -

- 19.1 The Joint Trade Board for dispute resolution will be made up of three members of District Council 711, and three members of the Association that best represents each grievance. From the time either party files for a "Joint Trade Board Meeting", the Board must convene within five (5) working days. The Joint Trade Board must render its decision within three (3) working days. The decision of the Joint Trade Board will be binding and final on the parties. If the Employer refuses to comply with a final and binding decision issued at the Joint Trade Board level, the District Council will have the right to direct Employee of such Employer to refrain from work. If the "Joint Trade Board" cannot resolve the grievance, at this level: either party can file for arbitration with (AAA) American Arbitration Association, within ten (10) working days.
- 19.2 The Trustees to the joint benefit funds shall establish and maintain a Joint Board composed of fourteen (14) members, seven (7) representing the union (including the business manager) and seven (7) representing the Contractor Associations that contribute to the joint funds (including the chairman).
- (a) The Union and Association/Contractor members shall include representatives of the following trades and industries: Five (5) Painters, One (1) Taper, and one (1) Glazier. Allocation of representatives to the Joint Trade Board shall be based and determined by the percentage of dollar contributions made to the joint funds.
- (b) Ten (10) members, five (5) representing each party, shall constitute a quorum. Decisions shall be made by majority vote provided that the Union representatives and Association representatives shall have equal voting strength with respect to each vote. Members of the joint board shall choose a chairman and co-chairman to serve such terms as agreed upon by the Board, provided that one such officer shall represent each party.
- 19.3 The Joint Board of Trustees shall meet regularly at least once every three (3) months. Special meetings may be called by the chairman or co-chairman when a prompt hearing and decision is required in any dispute.
- 19.4 The Joint Board is empowered to hear and decide all grievances and disputes which may arise between the parties, as to the interpretation or application of this agreement; to award or assess remedies, damages and penalties for violations of this agreement provided, however, any assessment of damages shall not exceed five thousand dollars (\$5,000.00); to issue interpretive rulings or other rules and regulations as it deems necessary to give force and effect to the

purpose and intention of this agreement to investigate all grievances and disputes submitted to it, including audits of records, to recommend amendments to or changes in the agreement but only upon the written request of both parties to appoint such persons or committees as necessary to aid the board in the performance of its duties and to demand of those who repeatedly violate this agreement the posting of a cash or surety bond to assure future compliance. All grievances and disputes shall be submitted in writing to the chairman and co-chairman. If all facilities to resolve disputes over the interpretation of the terms or conditions of an existing agreement have failed of settlement, both parties agree before strike or lockout or the resort to proceedings before the national labor relations Board, State Government Boards, or the courts, to submit the dispute to the joint national trade board for binding decision. The Joint National Trade Board is hereby authorized and empowered to delegate any question or issue submitted to a committee of two (2), one (1) of whom shall be appointed by each of the respective presidents of the IBPAT and the National Trade organization of the affected coalition member for the purpose of investigation making recommendations to the Board, or, in fact, resolving or determining the particular issue, which determination shall be binding with the same force and effect as though rendered by the Board itself. The remedies and sanctions specified in this section are in addition to other remedies and sanctions that may be permitted by other provisions of this agreement or by law. There shall be no strike or lockout on any job over any grievance or dispute while it is being processed through this grievance procedure and until the said procedure has been exhausted, however, and notwithstanding any contrary provision of this agreement, the Union may remove employees from any job or jobs of an individual employer who fails or refuses to pay the wages and fringe benefits, or refuses to stand trial under these procedures or fails to comply with a final and binding decision issued at any level of this grievance procedure. Nothing stated in this section shall preclude the employer from resorting to the grievance procedure with respect to any action or sanction taken or imposed by the Union hereunder.

- 19.5 The Board shall maintain full and complete records and minutes of its proceedings, which may be inspected at any reasonable time by the parties to this agreement. At the commencement of each contract year or upon beginning of work within the territory during each contract year, each employer shall pay to the joint board the sum of fifty dollars (\$50.00).
- (a) All funds shall be used as determined by the Board for the purpose of advertising, advancing the trade, protecting the standards of work and employment, training employees in the use of new materials and work techniques, protecting the combined interests of employees and employers alike, advancing the trade, educational programs, and the payment of all expenses of the Board on carrying out said programs and responsibilities.

- ARTICLE 20 - SUCCESSOR CLAUSE -

- 20.1 This Agreement and any supplements or amendments thereto, hereinafter referred to collectively as "Agreement", shall be binding upon parties, assigns,

5.4. In addition to any other remedies to which the parties in the collective bargaining agreement may be entitled, an Employer in default for ten (10) working days may be required at the discretion of the Trustees and, to the extent permitted by law, to pay legal interest from the date when the payment was due to the date when payment is made, liquidated damages, together with all expenses of collection incurred by the Fund, including legal fees and costs. The Trustees may take any action necessary to enforce payment of the contributions due hereunder, including, but not limited to, proceedings at law and in equity.

5.5. The Employer, on forms prescribed by the Trustees shall make all reports on contributions due and owing, or previously paid to the Welfare Fund. The Trustees may at any time have an audit made by a certified public accountant of the payroll and wage and other relevant financial records of any Employer in connection with said contributions and/or reports. The Employer agrees to cooperate fully in the conduct of any such audit and further agrees to make available to the auditor any relevant financial records and/or reports that may be needed for a complete audit.

ARTICLE VI.

BOARD OF TRUSTEES.

6.1. (a) The Fund shall be administered by ten Trustees, half of whom shall be selected by the Union and shall act as Union Trustees, and half of whom shall be selected by the Associations as set forth herein on behalf of the Employers and shall act as Employer Trustees. The Garden State Council, Inc. shall designate three Trustees; the Drywall and Interior Systems Contractors Association, Inc. of New Jersey shall designate one Trustee and the New Jersey Glass and Metal Contractors Association shall designate one Trustee. The respective Trustees shall serve at the will of the Union or the Associations, respectively, selecting them. The Union

3.2. Any and all dividends on any policy or policies of insurance which are procured and held by the Trustees shall be paid to the Trustees and shall be received by them as part of the Trust Fund to be administered and disposed of as herein provided.

3.3. The Trustees may invest and reinvest such part of the Fund as in their sole judgment is not required for current expenditures in such investments as are legal investments under applicable Federal Law and the laws of the State of New Jersey.

3.4. All checks, drafts, vouchers or other withdrawals or payments of funds from any bank account maintained by the Fund shall be signed by two persons who shall be appointed by the Trustees to perform such duties.

ARTICLE IV.

POWERS AND DUTIES OF TRUSTEES.

4.1. The Trustees, as Trustees, shall have the power:

(a) To demand, collect, receive and hold contributions and to take such steps, including the institution, prosecution, or intervention in, any proceeding at law, in equity or in bankruptcy, as may be deemed necessary or desirable to effectuate the collection of such contributions, and the settlement, compromise and adjustment of all claims whatsoever.

(b) To invest and reinvest such funds as they do not require for current expenditures or liquid reserves, as they may from time to time determine, in such investments as are legal investments under applicable State and Federal law relating to the investment of employee welfare trust funds, not limited, however, by any limitation restricting investments in common stocks to a percentage of the Fund or to a percentage of the total market value of the Fund. The Trustees may sell, exchange or otherwise dispose of such investments at any time, and from time to time. The Trustees shall also have the power and authority (in addition to, and

not in limitation of, common law and statutory authority) to invest in any stocks, bonds or other property, real or personal, including improved or unimproved real estate and equity interests in real estate, where such an investment appears to the Trustees, in their discretion and consistent with their fiduciary obligations, to be in the best interest of the Trust Fund and the Employees and Beneficiaries, judged by then prevailing business conditions and standards.

(c) To sell, exchange, convey, transfer or otherwise dispose of any property, tangible or intangible, held by them by private contract or at public auction.

(d) To exercise all rights, powers, and privileges as might be lawfully exercised by any person with respect to any stocks, bonds or other property, real or personal, held by them as Trustees.

(e) To make, execute, acknowledge and deliver any and all documents of transfer or conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.

(f) To appoint one or more Investment Managers (as that term is defined in Section 3(38) of the Act) who shall be responsible for the management, acquisition, disposition, investing and reinvesting of such of the assets of the Trust Fund as the Trustees may specify. Any such appointment shall be acknowledged in writing by the said investment manager shall be paid out of the Trust Fund to the extent permitted by law.

(g) To obtain from the Employers, the Associations and the Union and from the Employees, former Employees and Beneficiaries, such information as shall be necessary, proper or required by law for the proper administration of the Trust Fund.

(h) To sue or be sued on behalf of this Trust. The Trustees shall be the only necessary parties Plaintiff or Defendant in any such action.

July 30, 2009

Controller

██████████ Glass
██████████ Avenue
██████████ NJ 07██████

RE: District Council 711 Employee Benefit Funds and
I.U.P.A.T. National Pension Funds

Dear Sir/Madam:

Novak Francella LLC are the auditors for the District Council No. 711 Employee Benefit Funds and I.U.P.A.T National Pension Funds As part of our normal review of contributions from participating employers, we compare the contribution reports submitted by your company to your payroll and other related records.

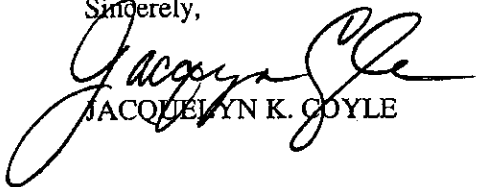
In this regard, we would appreciate an appointment to meet with you at your office to review the following information:

1. Quarterly Unemployment Compensation Tax Returns.
2. Federal 941 Quarterly Payroll Tax Returns.
3. Annual W-2s and W-3.
4. Annual 1099s and the 1096.
5. Employees' individual earnings records detailing hours paid; if not available in that form, some record detailing hours paid per employee should be made available.
6. Copies of monthly contribution reports to all fringe benefit funds to which you contribute.
7. Cash disbursement journals and/or Check Register/Check Book.
8. Copies of the collective bargaining agreements.

Our review will be for the period January 1, 2006 through December 31, 2008. We will, therefore, require the above information for that time period. We will contact you shortly to arrange an appointment.

Should you have any questions concerning the above request, please feel free to contact me.

Sincerely,


JACQUELYN K. COYLE