



**PRODUCERS' HEALTH BENEFITS PLAN
STATEMENT OF POLICY AND PROCEDURES FOR
COLLECTION OF CONTRIBUTIONS PAYABLE BY EMPLOYERS**

**October 25, 2012-
Revised July 26, 2013 to Reflect Staff Coverage**

POLICY AND PROCEDURES - PURPOSE

The Internal Revenue Service ("IRS") and Department of Labor ("DOL") issued a Class Exemption, Prohibited Transaction Exemption 76-1, on March 23, 1976:

"If a Plan is not making systematic, reasonable and diligent efforts to collect delinquent contributions ... such failure to collect a delinquent Employer contribution may be deemed to be a prohibited transaction." {Between the Plan and the Employer}

This statement of policy and procedures has been established by the Trustees of the Producers' Health Benefits Plan (the "Plan") in order to comply with the DOL mandate to exercise "systematic, reasonable and diligent" efforts to collect whatever is due and owing to the Plan.

NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS STATEMENT OF POLICY AND PROCEDURES, EXCEPT WHERE AUTHORIZATION TO COMMENCE A COURT ACTION OR APPROVAL OF A SETTLEMENT UNDER PARAGRAPH 7(c)(iii) IS SOUGHT FROM THE FULL BOARD OF TRUSTEES, ANY REPORT MADE TO THE BOARD, COMMITTEE OR ANY TRUSTEE, SHALL NOT DISCLOSE THE NAME OF THE CONTRIBUTING EMPLOYER WITHOUT THE PRIOR WRITTEN PERMISSION OF THAT EMPLOYER.

1. PAYROLL AUDIT COMMITTEE

The Trustees shall designate a Payroll Audit Committee ("Committee"), consisting of at least two (2) West Coast resident Trustees and two (2) East Coast resident Trustees. A quorum shall consist of three (3) Trustees. Committee meetings shall also be attended by Plan Counsel, the Plan Payroll Auditor, and the Plan Manager. "Plan Manager" means the administrative employee working out of the Plan New York or Los Angeles office. "Plan Administrator" means the Plan's current third party administrator currently BeneSys Administrators.

The Committee shall meet regularly to receive reports as to delinquency cases (e.g., including contribution shortfalls and/or Employers with a pattern of failing to pay contributions in a timely manner), learn of settlement offers, render determinations as to whether such offers should be re-negotiated, rejected or accepted, hear reports of the Plan Payroll Auditor and determine which

Employers should be audited, decide whether suit should be commenced to collect delinquencies or require Employers to comply with audits, and determine other questions pertaining to delinquency problems. The Committee shall report to the full Board of Trustees at regular Trustee meetings.

Any action with regard to the audit of or collection procedure against an Employer which is obligated to contribute to the Plan which requires approval of the Trustees must be approved by three (3) Trustees of the Payroll Audit Committee. In accordance with paragraph 7 below, where a settlement offer is for the full amount of contributions owed including any interest and fees that may be owed, the Plan Administrator and/or Special Collections Counsel is authorized to accept such payment in full without authorization of the Committee or the full Board of Trustees.

If the Trustee members of the Committee are unable to agree on any matter, the matters shall be referred to the full Board of Trustees.

In order to facilitate quick action when needed between meetings, the Committee can act by telephone conference confirmed in writing signed by the Trustees Committee members, either in a single document or in counterpart (including a fax).

Except where approval or action of the full Board of Trustees is expressly required herein, whenever in this Statement of Policy reference is made to approval or other action by the Trustees, it shall mean the Committee.

2. COLLECTION - LEGAL BASIS

The Plan's (a) Trust Agreement ("TA") and (b) Participation Agreements ("PAs") requiring contributions, give the Trustees authority to collect Employer contributions.

Sections 502(g)(i) and 515 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") authorize the Plan to bring suit in Federal court to collect delinquent or unpaid contributions, together with interest, damages and costs.

3. IDENTIFICATION OF EMPLOYERS OBLIGATED TO CONTRIBUTE

(a) Employers

- (i)** The Plan Administrator shall maintain the names of Employers required to contribute, including the addresses and telephone numbers of each Employer and the responsible parties to contact.
- (ii)** The Plan Administrator shall identify whether a contributing Employer is a corporation, a partnership or an individual proprietorship and notify and maintain the names of the principal officers of the business entity as determined from relevant documents, including the PA, correspondence, checks, etc.

- (iii) The Plan shall promptly notify the Plan Administrator if any change occurs in the PA as may be amended, concerning an Employer's obligation to contribute. This includes, among other things: if there is a change of contribution rate; if the Employer goes out of business, closes temporarily or if the Plan has a reason to believe that any of such actions will probably occur.
- (iv) The Plan Administrator shall identify any Employers who are required to contribute for any month but for whom no remittance report or transmittal report was forwarded.

(b) Agreements

The Plan Administrator shall maintain the Participation Agreements, requiring that Employers make contributions to the Plan.

(c) Plan Office Documentation

The Plan Administrator shall take reasonable steps to keep a record of each Employer's bank names, addresses and account numbers and make sure that the material furnished shows the true character and structure of each Employer entity. A photocopy of the first remittance check (and subsequent checks drawn on different accounts) from each Employer should be retained by the Plan Administrator as a matter of course. Each check received from an Employer shall be compared by the Plan Administrator against previous checks received from the same Employer so that any changes in the name of the Employer or the bank upon which the check is drawn shall be recorded by the Plan Administrator.

(d) Plan Administrator Reports to Trustees

The Plan Administrator shall provide monthly reports to the Plan Manager- setting forth all delinquent Employers, including the due date for contributions, the amounts owed to the Plan and the history (dates and amounts) of any previous delinquencies of that Employer. The monthly reports shall include delinquencies for prior months and the collection status of those prior delinquencies.

(e) Annual Plan Administrator Verification of Contributions Made on Behalf of Individual Participants

In addition, annually, records of all of the Employers' contributions made on behalf of participants showing for each individual on whose behalf contributions have been made, the total gross wages earned by the participant and the total amounts contributed to the Plan on behalf of the individual shall be sent to each Plan participant for verification as to the amount of contributions made on the individual's behalf.

(f) Plan Administrator Review of Reports Provided by the Employer

The Plan's representatives shall provide copies of all Participation Agreements to the Plan Administrator.

If there is a discrepancy between the payments and remittance reports provided by the Employer and received by the Plan, then the Plan Administrator will contact the Employer and, if necessary, the employee. The Plan Administrator will investigate the discrepancy (e.g., a discrepancy in the number of days worked or compensation).

4. EMPLOYER NOTIFICATION OF LATE PAYMENTS

The following delinquency procedures are to be followed in the event of any delinquency in Employer contributions:

- (a) Unless the Participation Agreement, provide otherwise, monthly contributions are due on the 10th calendar day following the close of the calendar month in which the employee performed work for which contributions are owed. The date such contributions are due is the "due date".

If the Employer has failed to make contributions on or before the due date as required, the Plan Administrator shall send a "Demand letter" Exhibit "A" to the Employer by certified mail, return receipt requested and by first class mail, with copies to the Plan Manager.

- (b) If no response is received by the 30th calendar day after the first demand letter is sent, the Plan Administrator shall immediately mail a second and final Plan Administrator notice to the Employer by certified mail, return receipt requested and first class mail, with copies to the Plan Manager and Counsel, in the form set forth in Exhibit "B". If contributions are not received within 15 calendar days from the date the second notice is mailed, the matter shall be referred by the Plan Administrator to Special Collections' Counsel for appropriate action. (See "Action of Special Collections' Counsel," in paragraph 8 below).
- (c) In cases where the Plan Administrator does not become aware of a delinquency in time to comply with the above schedule, the final notice, which is the second notice described above at 4(b), is to be sent by the Plan Administrator immediately after the delinquency becomes known.

- 5. Should the Employer fail to submit required Remittance Reports when due, or fail to make its payroll records or other records available after demand, the Trustees may compute the sum due for any work period in the following manner: the largest gross earnings reported by the Employer for any work period during the preceding 12 months for which reports were submitted shall be increased by 10%, rounded up to the next higher whole number, and then multiplied by the current contribution rate. The resulting figure shall be deemed the amount of contributions due for the work period in question, be binding on the Employer and be payable by it together with such additional amounts as are provided for in this section.

6. LATE PAYMENT CHARGES

Except in unusual cases where special circumstances require a departure from the normal routine, the Plan shall impose late payment charges if an Employer is delinquent for more than 15 calendar

days from the due date. A charge of 1% per month (12% per annum) per month or major fraction of the month is to be billed commencing with the due date.

7. NEGOTIATED SETTLEMENT

If an Employer proposes a settlement, compromise, extension or discontinuance, including an arrangement to pay delinquency amounts in installment payments, the following procedures are to be followed:

- (a) (i) A delinquency equal to or less than \$2,000 may be settled by the Plan Administrator without prior approval of the Committee or the Trustees, and shall be reported to the Committee and the Trustees along with the history of all prior settlements with that Employer or any related Employers. (ii) Unless settlement is for the full amount of contributions owed and interest and fees, if any, no settlement of a delinquency exceeding \$2,000 is to be made without the approval of the Committee. (iii) No settlement of a delinquency exceeding \$25,000 is to be made without the approval of the full Board of Trustees.
- (b) The terms of any settlement are to be put in writing and signed by the Employer and shall include not only provision for the payment of the delinquency, but provisions for payment of interest at the rate of 1% per month (12% per annum) or major portion of the month plus any costs incurred including, without limitation, legal fees, court costs and expenses such as postage, telephone and reasonable audit and investigative fees. (Exhibit "D" to these procedures.) The Trustees at their sole discretion may apply a lower rate on a case by case basis consistent with ERISA
- (c) If possible, a confession of judgment shall be obtained in case of default in complying with the arrangement. (Exhibit "E" to these procedures.)

8. ACTION OF SPECIAL COLLECTIONS' COUNSEL

If the Plan Administrator procedures outlined above do not result in payment (including settlement) by the Employer, the following steps shall be taken:

- (a) Plan Administrator Responsibility

The details and factual and legal basis of the claim (amount due, period of delinquency, covered and copy of Participation Agreement or other documents as described above) shall be promptly collected by the Plan Administrator and provided to Special Collections' Counsel.

- (b) Demand Letter

Special Collections' Counsel must first immediately send a demand letter to the Employer in an attempt to effect collection without suit. As part of this demand, Special Collections'

Counsel will make diligent efforts to collect all penalties owed in the form set forth in Exhibit "C" attached to these procedures. Special Collections' Counsel may in the case of a first time referral by the Plan of an Employer as delinquent, waive liquidated damages prior to commencement of legal action if necessary to effectuate a settlement but shall not waive payment of any other amount due without approval of the Trustees as set forth in paragraph 7 above.

(c) Commencement of Suit

- (1) Where a delinquency exists, and the Employer fails to make arrangements to pay the amounts demanded by the Plan Special Collections' Counsel within fifteen (15) calendar days from the date such Counsel's demand letter is sent, Counsel shall seek authorization from the full Board of Trustees to commence suit for such delinquencies.
- (2) In any collection action, Plan Special Collections' Counsel shall seek:
 - (i) The full amount of any and all unpaid contributions owed by the Employer;
 - (ii) Interest on unpaid contributions from the contributor's contribution due date at the rate of 1% per month assessed from the due date of each such contribution;
 - (iii) Reimbursement of all expenses incurred by the Plan in securing such judgment including, without limitation, court costs, legal and audit fees, disbursements and investigative expenses and such other legal or equitable relief as the court deems appropriate; and,
 - (iv) Liquidated damages equal to the greater of: (1) the amount of interest charged on the unpaid contributions, or (2) 20% of the amount of unpaid contributions to reimburse the Plan for administrative costs in tabulating, checking and otherwise processing such delinquencies.

(d) Report to the Trustees

Special Collections' Counsel shall provide monthly reports to the Committee and the full Board Trustees regarding the status of all referred claims/collection actions.

(e) Collection Agency

In lieu of referral to Special Collections' Counsel, the Trustees may elect to refer a delinquency to a collection agency, in which case the agency shall be subject to the same limitations and restrictions as are set forth herein with respect to Special Collections' Counsel.

(f) Joint Collection Actions With Other Benefit Plans

If the Plan joins in collection actions brought against an Employer for delinquent contributions due this Plan and any other benefit plans, the costs thereof shall be allocated pro-rata by and among the other benefit plan and this Plan based on ERISA principles.

9. PAYROLL AUDITS

Payroll audits will be conducted on a rotational, random and/or selective basis (as determined by the Committee and/or the Trustees). The following factors are taken into account regarding the payroll audit program:

- (a) The Committee will establish a list of Contributing Employers to be audited;
- (b) Generally, a period of up to three years will be selected for auditing
- (c) The frequency of audits shall be as directed by the Committee;
- (d) The audits are to be performed by the Plan Payroll Auditor who will provide to the Committee and the full Board of Trustees a quarterly status report of all audits initiated and periodic bill estimates;
- (e) If delinquent contributions for productions selected for testing by the auditors are 10% or more in aggregate of the contributions paid and received by the Plan for the selected projects, audit fees incurred by the Plan will be charged to the Producer. Notwithstanding the preceding sentence, the Trustees shall have the power to waive or reduce such audit or inspection costs and legal fees in a particular case upon good cause.
- (f) Upon receipt of the initial audit request letter from the Plan's auditors the Producer shall contact and provide the auditors with proposed dates for an on site audit during regular business hours of all requested pertinent records which date(s) shall not be more than sixty (60) days from the date of the initiation audit request letter. If it is necessary for the Producer to postpone the date of the on-site audit, the subsequent date shall not be more than thirty (30) days from the date initially designated for the on site audit;
- (g) If the Employer has failed to remit their arrears on or before the due date as required, the Plan Manager shall send a "Demand letter" Exhibit "A " to the Employer by certified mail, return receipt requested and by first class mail, with copies to the Plan Administrator. The Plan Manager will act as a liaison between the Auditor and the Employer.

If the Employer does not cooperate with the audit process after due demand, the Plan Manager shall refer the case to the Committee for appropriate action, which may include a recommendation to The Board of Trustees to initiate suit against the Employer.

- (h) The Board of Trustees will periodically review costs of the payroll audit program and determine, in its absolute discretion, to reduce or expand the number of Employers audited each year.
- (i) At the conclusion of fieldwork, the Plan's Payroll Auditor shall provide the Employer with a written summary and detailed schedules of amounts owing and/ or overpaid to the Plan with instructions to remit underpayments to the plan (specifically the Plan's Administrator) within thirty (30) days and/ or to provide comments with respect to any under/and or overpayment items that it does not agree with.
- (j) At the same time as the written summary described in paragraph 1 is provided to the employer, the Plan's Payroll Auditor shall provide the Plan's Manager and the Plan's Administrator with a summary and detailed schedules of amounts owing and/ or overpaid to the Plan,
- (k) In the event that the Employer has not paid the delinquent amounts to the Plan within thirty (30) days, the Plan's Manager will prepare an invoice to be sent to the Employer with the detailed schedules of amounts owing and/or overpaid to the Plan
- (l) In the event the Employer has not paid the delinquent amounts to the plan within fifteen (15) days of mailing the above invoice, the Plan's Manager will send a delinquency letter to the Employer requesting payment within ten (10) business days of receipt by the Employer,
- (m) In the event that the Employer has not paid the delinquent amounts to the Plan's Administrator within ten (10) business days of mailing of the above delinquency letter, collection of outstanding amounts will be referred to the Special Collection Counsel.
- (n) Special Collection Counsel shall issue a request for payment letter to the employer within seven (7) days of the matter being referred to it by the Plan's Manager in which payment shall be requested within ten (10) business days of receipt by the Employer. If no full payment within ten (10) days matter will be forwarded to committee for legal action.

10. RULES FOR THE ALLOCATION OF DELINQUENT CONTRIBUTIONS

The following allocation rules apply to delinquency collections:

- (a) *Oldest Balance Paid First*

Except in unusual circumstances where a departure from normal practice is warranted and agreed to by the Trustees, delinquency payments made by an Employer shall be applied first to reduce its oldest outstanding balance.

- (b) *Partial Recovery – Principal Paid First*

If less than full recovery is made, whether by way of settlement, judgment or otherwise, the first monies recovered shall be applied to “contributions” and if any money remains, it shall be credited to the general Plan for administrative costs.

11. DELINQUENCY REPORTS TO THE TRUSTEES AT PERIODIC MEETINGS

In addition to the quarterly reports required in these procedures, the status of delinquent accounts, settlement offers, lawsuits and payroll audits shall be reported by the Plan Administrator and/or the Committee and/or Plan Counsel to the Full Board of Trustees at their periodic meetings.

12. DISSEMINATION OF DELINQUENCY PROCEDURES

Procedures for delinquency management defined herein shall be made known to the Plan Counsel, the Special Collections’ Counsel, the Plan Payroll Auditor, the Plan Consultant and the Plan Administrator staff. Contributing Employers shall be notified by the Plan Administrator, at such times as the Committee determines, as to their responsibilities including penalties for non-compliance with the Plan delinquency procedures.

13. CHRONICALLY DELINQUENT OR POTENTIALLY INSOLVENT EMPLOYERS

Where an Employer has been chronically delinquent (e.g., the Employer has received a demand letter from Special Collections Counsel three (3) times within any twelve (12) month period) or where the Trustees have reason to believe that the Employer is at risk of becoming insolvent in the near future, the Trustees may condition future participation in the Plan upon any of the following requirements:

- (a) That the Employer provides the Plan with a letter of credit or surety bond in an amount to be determined by the Trustees and/or Special Collections’ Counsel in their discretion to be adequate to secure payment of all contributions, including interest, attorneys’ fees, audit fees, liquidated damages and court costs.
- (b) That an individual or entity with the ability to pay provides a written guarantee of the Employer’s obligations to the Fund.
- (c) That payment of contributions be made on a weekly or other expedited basis.
- (d) Posting of performance or surety bond.

14. CUT-OFF OF PLAN BENEFITS.

When Special Collections' Counsel institutes a legal action against an Employer to collect delinquent Welfare Plan contributions, the Plan Administrator shall notify, in writing, by regular mail all of the employees of that Employer that are participants of the Fund, that their Employer is delinquent and that Benefits may be discontinued if the delinquency is not paid. If the delinquency is still not paid within thirty (30) days of commencement of suit, the Plan Administrator shall bring the matter to the attention of the full Board of Trustees immediately. The Trustees shall consider the matter and may, in their sole discretion, direct that no further Plan benefits be provided to participants of the delinquent Employer until the delinquency has been paid.

15. INTEREST

Wherever in these Delinquency Guidelines a calculation of interest is called for, such interest shall be assessed on a simple basis and shall not be compounded.

16. STAFF CONTRIBUTIONS

Administrative Process for Staff Contributions:

Step 1- The Plan Administrator will send an email contribution notification with attached monthly statement on or around the first day of the month for the following month contribution indicating that the statement is available for download and that payment is due.

Step 2- If no payment is received by 15th, The Plan Administrator will send a late notice notifying the Employer that benefits will be terminated if the contribution payment is not received by the end of month in which the statement was sent.

Step 3- If no payment is received three business days before the end of month, a one-time courtesy call will be placed by The Plan Administrator advising the Employer that benefits will terminate on the last day of the month if contributions are not received.

Policy Language:

Employer monthly contribution payment for staff is due on the 15th of every month for the following month. For example, May payment is due the 15th of April. Employer coverage will be terminated if payment has not been received by the end of the month. It is very important that your contributions are received on a timely basis to ensure continued coverage and to avoid termination.

Terminations or new enrollees must be reported to the Plan Administrator on the date of hire or the date of the qualifying event, using the PHBP Enrollment Form or COBRA Qualifying Event Form.

If new enrollments are not submitted to the Plan Administrator before the close of the billing cycle on the correct statement in which they should be effective for benefits. It is the responsibility of the employer to remit the correct monthly statement amount. The employer should contact the Plan Administrator.

If terminations are not submitted to the Plan Administrator timely to be reflected on the correct Monthly Statement, the employer will be responsible for the month should any claims have been paid.

The employer can download an enrollment form for new hires or report a termination on a Cobra Qualifying event Form, by visiting the www.phbp.org website. Both forms are posted for your convenience.

If an employer has been terminated due to no payment by month end, PHBP will allow one opportunity in a 12 month period to be reinstated if premium payment is received between the 1st and the 15th of the current coverage month. If an employer is late a second time and would like to be reinstated, a written appeal must be made to the PHBP Insurance Committee with information as to why the committee should consider a reinstatement. It is in the sole discretion of the committee to reinstate an employer. If the appeal is approved, the employer must remit any past and current contribution due and pre-pay for one additional month. Once an employer has been terminated due to lack of contribution payment or denial of appeal, they cannot rejoin PHBP until the annual enrollment period.

17. AMENDMENTS

This statement of policy and procedure regarding collection shall be subject to review and amendment at any time by action of the full Board of Trustees.

This is to certify that the above Statement of Policy and Procedures for Collection of Contributions Payable by Employers was unanimously adopted by this written Resolution of the Trustees, and is effective immediately.

TRUSTEES	Date	TRUSTEES	Date
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

EXHIBIT A

First Overdue Notice

[To be sent pursuant to the Plan's twice monthly review of all documents requiring contributions by certified mail, r.r.r. and first class mail.

Contribution due date is the date set forth in contract or if not set forth in the contract then 15 calendar days following the month in which the employees performed work and for which contributions are payable.]

[To be Typed on Plan Letterhead]

[Date]

[Employer Name and
Address]

Re: Producers' Health Benefits Plan--Unpaid Benefit Plan Contributions

Dear _____:

I am writing on behalf of the Trustees of the Producer's Health Benefits Plan (the "Plan"). The Plan Office records indicate that your contribution payment and remittance report(s) for the period beginning on _____, 200_, and ending on _____, 200_ - have not been received by the Plan. Contributions were due on (**put in due date**). Interest at the rate of 1% percent per month begins to accrue on the contribution due date and continues to accrue thereafter until paid.

Please note that your failure to contribute on behalf of your freelance employees may jeopardize their benefits.

If your contributions' payment is received by the Plan Office on or before the fifteenth day after the due date set forth above, the Trustees of the Plan will waive collection of the interest accrued.

Thank you for your prompt attention to this matter.

Sincerely yours,

Administrator

EXHIBIT B

2nd Overdue Notice

[To be sent 30 calendar days after date of first overdue notice is sent to Employer – This letter shall include an interest calculation and is to be sent by certified mail and regular mail]

[To be Typed on Plan Letterhead]

[Date]

[Employer Name and Address]

Re: Producers' Health Benefits Plan--Unpaid Benefit Plan Contributions
2nd and Final Overdue Notice

Dear Employer:

Our records reflect that your required contributions to the Producers' Health Benefits Plan (the "Plan") for the period starting on _____ and ending on _____ is currently overdue and, therefore, payable immediately. We are writing to you in connection with your failure to make these remittances and to advise you that any continuing failure will result in the Plan being forced to take certain actions in collection of these amounts.

Contributions to the Plan are due and payable as of the **(Plan to check contract and place the exact due date if different than 15 calendar days in this paragraph)** fifteenth (15th) calendar day of the month immediately following the month in which the work was performed. The Board of Trustees (the "Board") of the Plan is empowered to take any and all necessary action to compel and enforce the payment of Employer contributions to the Plan in the event that such contributions are not made. **[In the case of contributions not paid within the first fifteen (15) calendar days after contributions are payable ("contribution due date")**, interest is due on the unpaid contributions, accruing at the rate of 1% per month beginning on the due date. Payment of the full amount of contributions, interest and any costs to the Plan will continue to accrue until paid and must be made immediately.

In the event that the delinquent contributions remain unpaid, and the Board is compelled to commence a judicial action to recover the delinquency, the Employee Retirement Income Security Act of 1974, as amended, requires the court to award the Plan the following:

- (a) the amount of the unpaid contributions,
- (b) interest as described above on the unpaid contributions,
- (c) damages equal to the greater of (1) the interest on the unpaid contributions; or (2) liquidated damages equal to twenty per cent of the unpaid contributions,
- (d) court costs, attorneys' fees and other costs; and
- (e) such other relief as the court may deem proper.

Accordingly, if the full amount of your delinquent contributions and interest to the Plan is not received promptly, we will be required to refer this matter to legal counsel for collection. We are confident that you, as a responsible Employer, desire to comply with your obligations to the Plan. We are, therefore, calling this matter to your personal attention and anticipate receiving a prompt response and payment from you.

Yours truly

Administrator

cc: Plan Counsel and Special Collections Counsel

EXHIBIT C

Plan Special Collections' Counsel Notice

[To Be Typed on Plan Special Collections' Counsel Letterhead]

[Date]

[Employer Name]

[Employer Address]

Re: Producers' Health Benefits Plan--Unpaid Benefits Plan Contributions
[Employer Name] _____

Dear _____:

This office is counsel to the Board of Trustees of the Producers' Health Benefits Plan (the "Plan"). I am writing to you concerning certain payments which **[insert the name of Employer]** (the "Employer") is delinquent in making. As you are aware, the Employer is obligated to make these payments to the Plan pursuant to the terms and conditions of the Participation Agreement between the Employer and Plan. The Employer has already been advised of its delinquency by letters from the Plan Administrator dated _____ and _____.

The Plan has advised us that **[insert name of Employer]** has yet to submit Plan contributions and the required remittance reports for the period beginning on _____ and ending on _____. As of (**fill in date**) the estimated amount owed, including interest, is as follows:

Contributions	\$	(Estimated)
Interest	\$	(Estimated)
Total	\$	(Estimated)

Please be advised that the amount owed to the Plan (principle, interest, costs, etc.) will continue to accrue until paid.

This letter affords the Employer the opportunity to make the foregoing payments without a lawsuit. However, unless the Employer cures its delinquencies to the Plan forthwith, the Trustees of the Plan shall have no alternative but to implement such legal remedies which are deemed necessary and appropriate in order to protect the interests of the Plan, including the commencement of a lawsuit in federal court.

In this regard, you should be aware that the Employer's failure to contribute to the Plan as stipulated in the collective bargaining agreement violates Section 515 of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"). Furthermore, Section 502(g) (2) of ERISA provides that, in any legal action in which a judgment in favor of the Plan is awarded, the court is required to award to the Plan the full amount of the delinquencies and all

accrued interest thereon plus liquidated damages equal to the greater of (i) the accrued interest or (ii) 20% of the aggregate amount of the delinquencies, in addition to the imposition of court costs and attorneys' fees.

In view of the foregoing, we trust that you will cure the delinquencies to the Plan. Should we fail to receive payment within fifteen (15) days from the date of this letter, however, we shall have no alternative but to initiate appropriate legal action.

Sincerely,

[Special Collections Counsel]

cc: Plan Office
Board of Trustees
Counsel

EXHIBIT D

Letter Agreement Form for Settlement of Overdue Contributions

[To Be Typed on Plan Special Collections' Counsel Letterhead]

Date
Employer Name
Address

Dear [Employer Name]:

This will confirm and constitute the Agreement between the Board of Trustees of the Producers' Health Benefits Plan ("the Board of Trustees") and [Employer name], ("the Employer") entered into this [date].

The Employer agrees that pursuant to the terms of the Trust Agreement of the Producers' Health Benefits Plan (the "Plan") and its Participation Agreement with the Plan, it owes contributions in the amount of \$_____, plus interest in the amount of \$_____ calculated at a rate of _____ per cent per annum for the period of [date] until [date] plus interest in the amount of _____ on the balance at the rate of _____. The Employer agrees that it will commence weekly payments of \$_____, in addition to its regular contributions, and continue such payments until it has paid to the Plan a total of \$_____. [or Alternative 2] that it will pay the Plan [the sum of \$ _____], constituting its outstanding contributions plus interest calculated as of the time payment is made on or before [date].

In addition to the above, the Employer agrees to remain current on all contributions that become payable in the future. The Employer shall, with the execution of this Agreement, also execute the Affidavit of Confession of Judgment, in the form annexed hereto, and agrees to the terms therefore. Pursuant to the Confession of Judgment, upon default as defined herein, the Employer shall be immediately liable to the Plan for the full amount of its overdue contributions owed to the Plan, interest, calculated in accordance with the terms of the Plan Trust Agreements. The Employer agrees also that it will be liable for liquidated damages, reasonable attorneys' fees, court costs and all other expenses of the Plan in connection with efforts made to collect the amounts owed by the Employer.

The Confession of Judgment shall be held in escrow by the Plan and returned to the Employer upon completion of all payments, unless prior to the completion of payments, the Employer defaults. A default shall be deemed to occur if the Employer fails to repay its indebtedness in accordance with the terms of this agreement or becomes delinquent in its payment of regular contributions to the Plan during the term of this Agreement. If a default occurs, the Plan Office shall promptly notify the Employer, by overnight mail of the default. The Employer shall be permitted to cure the default within seven calendar days of the date the

default notice was sent. The Board of Trustees shall be entitled to file the Confession of Judgment with the Court if the Employer fails to cure the default within the time allowed. In any event, all payments made under this Settlement Agreement by the Employer shall be credited.

Producers' Health Benefits Plan

By: _____
Name & Title

[Employer name]

By: _____
Name & Title

EXHIBIT E

_____ COURT OF THE STATE OF _____
COUNTY OF NEW YORK

-----X

Board of Trustees of The
Producers' Health Benefits Plan

Plaintiff,

v.

AFFIDAVIT OF CONFESSION OF
JUDGMENT

[Employer]

Defendant.

-----X

State of _____

County of _____

[Employer/Principal] being duly sworn, deposes and says:

1. I am the [President] or other officer/Principal of the [name of Employer], the Defendant, a [_____] corporation, located at [address]. My home address is _____. I am duly authorized to make this affidavit on behalf of the Defendant corporation. Entry of Judgment against Defendant is authorized in New York County, State of [_____].

2. The Defendant, [name of Employer], hereby confesses judgment in the amount of \$_____ and authorizes entry of judgment against it by the Plaintiffs in that amount pursuant to [_____].

3. This confession of judgment is not for the purpose of securing the Plaintiff against a contingent liability and is not an installment loan within the prohibition of [_____].

4. This confession of judgment is for a debt justly due to the Plaintiffs, arising from the Defendant's failure to make benefit Plan contributions to the Plaintiffs, as required by the

parties' Participation Agreement. The Defendants are obligated to pay, but have not paid contributions to the Plan for the period _____ to _____ in the amount of \$ _____. In addition, Defendant owes interest of \$ _____, liquidated damages of \$ _____, and fees and costs of \$ _____.

Sworn to me the _____ day of _____, 200__.

Notary Public

Name
Title
Employer Name
Address