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10 **UNITED STATES DISTRICT COURT**
11 **FOR THE EASTERN DISTRICT OF WASHINGTON**

12 EDWARD C. HUGLER, Acting
13 Secretary of Labor, United States
14 Department of Labor,

15 Plaintiff

16 v.

17 JAMES DEWALT;
18 ROBERT G. BAKIE;
19 JACK L. FALLIS; JR.;
20 JEFFREY A. BARTON;
21 ASSOCIATED INDUSTRIES
22 MANAGEMENT SERVICES, INC.;
23 THE ASSOCIATED INDUSTRIES OF
24 THE INLAND NORTHWEST; AND
25 THE ASSOCIATED EMPLOYERS
26 HEALTH AND WELFARE TRUST,

27 Defendants.

Civil Action No. _____

COMPLAINT

Filed by Edward C. Hugler,
Acting Secretary of Labor
United States Dept. of Labor

COMPLAINT FOR ERISA VIOLATIONS

1 Edward C. Hugler, Acting Secretary of Labor, United States Department of
2 Labor (the "Secretary"), alleges as follows:
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4 **INTRODUCTION**

5 1. The Secretary brings this action under the Employee Retirement
6 Income Security Act of 1974 ("ERISA"), as amended, 29 U.S.C. §§ 1001 et seq.,
7 to remedy breaches of Defendants' ERISA fiduciary duties committed in the course
8 of their management of the Associated Employers Health and Welfare Trust
9 ("AET" or the "Trust") and the ERISA-covered employee benefit plans that
10 participate in the Trust. Approximately three hundred small employers and their
11 employees contributed to the Trust to fund their employee health and welfare
12 benefit plans (the "Plans") and pay administrative costs for the Plans. AET's
13 trustees (the "Trustees") received those contributions, which were held in trust for
14 the Plans, and spent those funds to purchase insurance and pay administrative costs
15 for the Plans.
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21 2. Defendant Trustees caused the Trust to retain and pay ever-increasing
22 administrative fee rates to a related, for-profit corporation, Defendant Associated
23 Industries Management Services, Inc. ("AIMS"), for administrative services for the
24 Plans. Two of the Trustees were officers and employees of AIMS—Defendant
25 James DeWalt was the President, CEO, and a director of AIMS and Defendant
26 Bakie was AIMS's CFO. As a result of Defendants' actions, the Trust paid AIMS
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1 millions of dollars of additional fees, which were largely taken from financial
2 reserves held by the Trust, without disclosing to the employers or employees that
3 AIMS's fees had been increased or that money to pay for the increased fees was
4 being taken out the Trust's reserve funds. The Trustees' conduct constituted
5 prohibited self-dealing with the Plans' assets and violated their ERISA fiduciary
6 duties of loyalty, prudence, and fidelity to the participants and beneficiaries of the
7 Plans.
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11 3. Despite Defendants DeWalt's and Bakie's conflict of interest, the
12 Defendant Trustees repeatedly paid and increased AIMS's fee rates without:
13 researching other firms' fee rates, seeking competing bids, seeking a consultant's
14 evaluation of the reasonableness of the increased fees for AIMS's services, or
15 taking any efforts to determine if AIMS's services could have been provided by
16 another firm for less. Instead, the Trustees increased AIMS's fee rates even as the
17 Trust saw a sharp decrease in the number of employers and participants serviced
18 by AIMS.
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22 4. At all times relevant to this action, AIMS's fees were calculated as a
23 percentage of the insurance premiums paid through the Trust. When the number of
24 participating employers ("Participating Employers") in the Trust fell, the total
25 insurance premiums paid through the Trust fell as well. In response, the Trustees
26 raised AIMS's fee percentage (on Trust-paid premiums) from 2.0% to 3.5%, then
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1 from 3.5% to 4.0% (applied retroactively), and then from 4.0% to 7.0 percent
2 (applied retroactively). The Trustees did so for the purpose of maintaining or
3 increasing Defendant AIMS's total revenue from the Plans, which supported
4 AIMS's payment of DeWalt's and Bakie's salaries. The Trustees did this in the
5 face of the falling total premiums and despite the fact that AIMS was providing
6 services to fewer Plans and fewer participants.
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10 5. The Secretary also brings this action against Defendant Associated
11 Industries of the Inland Northwest (the "Association"), which established the Trust.
12 Defendant Trustee DeWalt was the President and CEO of the Association as well
13 as the President and CEO of AIMS, which was wholly owned by the Association.
14 The Association appointed Defendants DeWalt and Barton to be Trustees and had
15 authority to remove the Trustees. Accordingly, the Association had an ERISA
16 fiduciary duty to loyally and prudently monitor the Trustees' performance. The
17 Secretary alleges that the Association violated that duty and thereby enabled the
18 Trustees to breach their fiduciary duties. Further, because AIMS knowingly
19 participated in the Trustees' fiduciary breaches, the Secretary also brings this action
20 to hold Defendant AIMS liable under ERISA and for disgorgement, to the Trust, of
21 the fees that AIMS received as a result of those fiduciary breaches.
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27 6. To remedy these alleged ERISA violations, the Secretary seeks a
28 judgment requiring the Defendant Trustees and the Defendant Association to

1 restore the Plans' losses resulting from their breaches of fiduciary duty. The
2 Secretary seeks an injunction to bar the Defendant Trustees from acting as
3 fiduciaries to ERISA-covered plans. Plaintiff Secretary also seeks appointment of
4 an independent fiduciary to hire and determine the compensation for the Trust's
5 service providers, and an accounting of the Trust's assets.
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8 **JURISDICTION AND VENUE**

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10 7. This Court has subject matter jurisdiction over this action pursuant to
11 ERISA section 502(e)(1), 29 U.S.C. § 1132(e)(1).

12 8. Venue is proper in this Court pursuant to ERISA section 502(e)(2), 29
13 U.S.C. § 1132(e)(2).
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15 **PARTIES**

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17 9. The Secretary, pursuant to ERISA section 502(a)(2) and (5), 29
18 U.S.C. § 1132(a)(2) and (5), has authority to enforce the provisions of Title I of
19 ERISA by filing and prosecuting claims against persons who violate the provisions
20 of ERISA and the regulations promulgated thereunder and against persons who
21 knowingly participate in those violations.
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24 10. Defendant James DeWalt is a natural person residing in Spokane,
25 Washington. At all relevant times, DeWalt was a Trustee of the Trust; the
26 President and CEO of the Association; and the President, CEO, and a director of
27 AIMS.
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1 11. Defendant Robert G. Bakie is a natural person residing in Spokane,
2 Washington. At all relevant times prior to March 2013, Bakie was a Trustee of the
3 Trust and the CFO of AIMS.
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5 12. Defendant Jack L. Fallis, Jr. is a natural person residing in Spokane,
6 Washington. At all relevant times, Fallis was a Trustee of the Trust.
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8 13. Defendant Jeffrey A. Barton is a natural person residing in Spokane,
9 Washington. At all relevant times, Barton was a Trustee of the Trust.
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11 14. Defendant Associated Industries of the Inland Northwest (the
12 "Association") is a non-profit corporation, organized under the laws of the State of
13 Washington, with its principal place of business located at 1206 North Lincoln
14 Street, Suite 200, Spokane, Washington. The Association is the sole owner of
15 AIMS.
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18 15. Defendant Associated Industries Management Services, Inc.
19 ("AIMS") is a for-profit corporation, organized under the laws of the State of
20 Washington, with its principal place of business located at 1206 North Lincoln
21 Street, Suite 200, Spokane, Washington. At all relevant times, AIMS provided
22 administrative services for the Plans, received payment for its services from the
23 Trust, and was wholly owned by the Association.
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26 16. Defendant Associated Employers Health and Welfare Trust ("AET" or
27 the "Trust") is a trust established by the Association. The Trust received employer
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1 and any employee contributions, held those funds in trust, and used those funds to
2 pay insurance premiums and administrative services for the Plans. Under Fed. R
3 .Civ. P. 19(a)(1)(A), plaintiff Secretary joins the Trust as a party solely to permit
4 the Court to order complete relief in this action.
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7 17. Each of the foregoing parties, except the Trust, have signed an
8 agreement in which each Defendant waived any defenses based on the statute of
9 limitations contained in ERISA section 413, 29 U.S.C. § 1113, and any other
10 timeliness defense for the period beginning May 27, 2016, and running through
11 and including February 28, 2017, and in which each party agreed to toll the
12 running of that statute of limitations or any other timeliness defense during that
13 period. In addition, as described below, by concealing the increases in AIMS's
14 fees and by taking money from the Trust's reserves to pay for those increases,
15 without telling the Participating Employers or their employees that it was doing so,
16 the Defendants engaged in fraud or concealment under ERISA section 413, 29
17 U.S.C. § 1113, which states, in pertinent part: "[I]n the case of fraud or
18 concealment, [an ERISA breach of fiduciary duty] action may be commenced not
19 later than six years after the date of discovery of such breach or violation."
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GENERAL ALLEGATIONS

The Association, Participating Employers, and the Trust

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4 18. The Association is a non-profit corporation with approximately three
5 hundred dues-paying employer members. The Association represents itself as
6 providing various services to its employer members, including employee
7 healthcare benefits administration services. In order to become a Participating
8 Employer in the Trust, an employer must be an employer member of the
9 Association and be accepted by the Trustees.
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12 19. The Participating Employers provided medical and other health and
13 welfare benefits to their employees through the Plans. Those benefits were insured
14 by insurance policies purchased by the Participating Employers. Under the terms
15 of these insurance policies and through procedures adopted by these Participating
16 Employers, the employees submitted claims for the insured benefits to the insurers
17 and received payments on allowed claims.
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21 20. Each year, each Participating Employer signed an application for
22 premium rates and other terms of the insurance policies for the employee benefits
23 to be offered by that Participating Employer for the coming year. The insurer's
24 acceptance of the Participating Employer's application for those terms created the
25 insurance policy for those employee benefits. By signing the application, the
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1 Participating Employer expressly adopted the document that governed the Trust
2 (the "Trust Agreement").
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4 21. Through the actions in paragraphs 19 and 20 above, each Participating
5 Employer established or maintained an employee welfare benefit plan as defined in
6 ERISA section 3(1), 29 U.S.C. § 1002(1), which was also an employee benefit
7 plan as defined in ERISA section 3(3), 29 U.S.C. § 1002(3). Each plan is covered
8 by ERISA pursuant to ERISA section 4(a), 29 U.S.C. § 1003(a). This complaint
9 refers to all of these plans collectively as the "Plans." Collectively, the Plans were
10 a "multiple employer welfare arrangement" ("MEWA") as ERISA section 3(40),
11 29 U.S.C. § 1002(40), defines that term.
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15 22. The Trust Agreement defined "employee welfare benefit plan" as any
16 lawful employee benefit plan created and administered by the Trustees. Trust
17 Agreement Art. II § 3. The Trust Agreement identified the Association as the
18 "Plan Sponsor" for certain employee welfare benefit plans administered by the
19 Trust. Id. at Art. III § 3. The Trust further identified itself, or the Plans
20 administered through the Trust, as the ERISA-covered "employee benefit welfare
21 plans" for the Participating Employers' employees and their beneficiaries. Id. at
22 Art. VII § 3. Accordingly, the Secretary also pleads, in the alternative, that the
23 Trust or the employee welfare benefit Plans it says it administered were the
24 ERISA-covered plan or plans of employer members.
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Trust Governance and the Trustees

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23. The Trust Agreement provided that the Trust was to be administered by a six-member Board of Trustees. Id. at Art. III § 1. The Trust Agreement identified the Trustees as "named fiduciaries," "fiduciaries," and "plan administrator" as those terms are used in ERISA. Id. at Art. III § 2.

24. The Trust Agreement prohibited any action by the Trustees at a meeting without a quorum of at least four (4) trustees. Id. at Art. IV §§ 1-2. The Trust Agreement also provided that "[n]o vacancy in the position of Trustee shall impair the power of the remaining Trustees to administer the affairs of the Trust so long as a quorum exists" Id. at Art. III § 15. Actions taken without a meeting required unanimous approval of the Trustees, with no fewer Trustees than required to form a quorum. Id. at Art. IV § 7.

25. The Trust Agreement provided that "at least two (2) of the Trustees [of the six-member Board of Trustees] shall be appointed by the Association." Id. § III.1. It also provided that the appointment of a Trustee could be terminated at any time by the Association. Id. § III.10. Because the Association had and exercised discretionary authority to appoint and remove Trustees of the Trust, the Association was a fiduciary of the Plans as defined in ERISA section 3(21)(A)(i) and (iii), 29 U.S.C. § 1002(21)(A)(i) and (iii), to the extent of its powers of

1 appointment and removal, and a party in interest as defined in ERISA section
2 3(14)(A), 29 U.S.C. § 1002(14)(A).
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4 Trust Contributions and Use

5 26. The Association established the Trust to receive financial
6 contributions from the Participating Employers and their employees to pay for the
7 employee benefits.
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9 27. The Trustees' powers included the power of "expenditure of Trust
10 monies . . . necessary to carry out the purpose of this Trust Agreement." Trust
11 Agreement at Art. VII § 1. The Trust Agreement also authorized the Trustees "to
12 retain, at the expense of the Trust, . . . professional and non-professional help, as
13 they may deem necessary in the administration of the Trust Fund and the benefit
14 plans," id. at Art. VII § 11, including administrative agents to assist the Trustees in
15 the day-to-day administration of the Trust, id. at Art. VII § 9.
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19 28. The Trust Agreement provided that the contributions of Participating
20 Employers and employees to the Trust shall be the amounts determined by the
21 Trustees to be required for the payment of benefits and the reasonable expenses of
22 administering the Plans. Id. at Art. II § 4. The Trust Agreement granted the
23 Trustees authority to receive contributions to establish and maintain a reasonable
24 reserve for future contingencies in the Trust Fund and the benefit plans. Id. at Art.
25 VIII § 1. The Trust Agreement provided for three types of contributions from
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1 Participating Employers: (a) an initial contribution in the amount determined by
2 the Trustees in accordance with the insurance coverage to be provided; (b)
3 additional monthly contributions in such amounts as the Trustees from time to time
4 determine, and (c) "such further contributions as may be requested from time to
5 time by the Trustees in order to maintain a reserve for each Participating Employer
6 not to exceed the cost of two (2) months coverage for the participating employees
7 of such employer." Id.

11 Trustees

12 29. The Association appointed DeWalt as a Trustee in 2004. DeWalt has
13 been a Trustee at all times from 2004 to the present. Continuously from 2004
14 through the present, DeWalt has been the Association's President and CEO, in
15 addition to being the President and CEO of AIMS.
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18 30. Bakie was a Trustee from 1989 through March 2013. During at least
19 2009 through March 2013, in addition to being a Trustee, Bakie was the CFO of
20 AIMS.
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22 31. Fallis was a Trustee from 2001 to September 10, 2014.
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24 32. Barton was a Trustee from 2011 to 2013. Barton was appointed as a
25 Trustee by the Association, acting through DeWalt.
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27 33. While serving as Trustees during relevant times between 2009 and
28 2014, DeWalt, Bakie, Fallis, and Barton each exercised discretionary authority or

1 discretionary control respecting management of the Plans and exercised authority
2 or control respecting management or disposition of the Plans' assets, including but
3 not limited to: (1) determining the amount of Participating Employers'
4 contributions to the Trust; (2) authorizing the Trust's payment of insurance
5 premiums for the Plans; (3) selecting service providers for the Plans, including
6 AIMS; (4) determining the amounts that the Trust paid to AIMS for administrative
7 services; (5) investing the Plans' assets held in the Trust; (6) determining that the
8 Trust obtained contributions for and maintained reserves for future contingencies;
9 and (7) determining how Trust assets should be used to pay for the Plans' benefits
10 and expenses, including, for example, using the Trust's reserve funds to pay for
11 increased fees to AIMS that were not included in monthly billings to employers.
12 Therefore, DeWalt, Bakie, Fallis, and Barton were fiduciaries of the Plans, within
13 the meaning of ERISA sections 3(21)(i) and (iii), 29 U.S.C. §§ 1002(21)(i) and
14 (iii), and were parties in interest to the Plans, as defined in ERISA section
15 3(14)(A), 29 U.S.C. § 1002(14)(A).
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22 **AIMS's Relationship to the Association, the Trust, the Trustees, and the Plans**

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24 34. Starting in 1992 and at all times relevant to this Complaint, the Trust
25 retained AIMS to perform certain administrative services relating to the Plans. By
26 providing these administrative services to the Plans, AIMS was a party in interest,
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1 as defined in ERISA section 3(14)(B), 29 U.S.C. § 1002(14)(B), in relation to the
2 Plans.
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4 35. In addition to being a Trustee and the President and CEO of the
5 Association, DeWalt was an employee and the President of AIMS. DeWalt
6 thereby was a party in interest, as defined in ERISA section 3(14)(H), 29 U.S.C.
7 § 1002(14)(H), of the Plans.
8

9 36. At times relevant to this Complaint, in addition to being a Trustee and
10 chief financial officer of the Association, Bakie was an employee and the chief
11 financial officer of AIMS. Bakie thereby was a party in interest of the Plans, as
12 defined in ERISA section 3(14)(H), 29 U.S.C. § 1002(14)(H).
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15 37. At all times relevant to this Complaint, the Association was the sole
16 owner of AIMS. The Association had no employees and AIMS employees
17 performed most of the Association's work.
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19 ERISA VIOLATIONS

20 The Trustees' Payment of Fees to AIMS

21 38. In its original agreement with AIMS in 1992, the Trust agreed to pay
22 AIMS a fee based upon a specific dollar amount per employee per month for
23 administrative services. By 2009, however, the Trust's fee agreement with AIMS
24 changed to a fee calculated as a percentage of the total insurance premiums paid
25 through the Trust. In 2009, AIMS's fee was 2% of premiums. The monthly bills
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1 sent to each Participating Employer for its total contribution to the Trust included
2 the 2% fee for AIMS, but it was not separately itemized.
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4 **First Fee Increase**

5 39. By signing a motion to accept a fee increase, dated December 31,
6 2009, Trustees DeWalt, Bakie, and Fallis purported to raise AIMS's fees from 2%
7 of premiums to 3.5% of premiums. Thereafter, the bills sent to Participating
8 Employers continued to include a 2% fee for AIMS. The Trustees caused the Trust
9 to pay the fee increase (1.5% of premiums) to AIMS via lump sum payments at
10 various times from the Trust's reserves, commencing June 28, 2010.
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13 40. As employees and officers of AIMS and as officers of the
14 Association, DeWalt and Bakie had an interest in the amount of fees AIMS
15 received from the Trust because AIMS employed DeWalt and Bakie and paid their
16 compensation. In 2009, fees received from the Trust were approximately 49% of
17 AIMS's total revenues. In 2010, fees from the Trust were approximately 40% of
18 AIMS's total revenues. By retaining and paying AIMS, and acting to increase
19 AIMS's fees from 2% to 3.5% of premiums and causing AIMS to be paid based on
20 the increased fee percentage, DeWalt and Bakie dealt with the assets of the Plans
21 in their own interest.
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24 41. By retaining and paying AIMS, acting to increase AIMS's fees from
25 2% to 3.5% of premiums, and causing AIMS to be paid based on the increased fee
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1 percentage, DeWalt and Bakie acted in transactions involving the Plans on behalf
2 of a party (AIMS) whose interest was adverse to the interests of the Plans and their
3 participants and beneficiaries, whose interest was having the Trust pay lower fees
4 for AIMS's services.
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7 42. DeWalt, Bakie, and Fallis caused the increase of AIMS's fees from
8 2% to 3.5% in violation of the Trust Agreement because the requisite number of
9 Trustees did not approve the increase. DeWalt, Bakie, and Fallis therefore failed
10 to act in accordance with the documents and instruments governing the Plans, and
11 they caused AIMS to receive payments based upon a fee increase that violated the
12 Trust Agreement's provisions.
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15 43. DeWalt, Bakie, and Fallis retained and paid AIMS, increased AIMS's
16 fees from 2% to 3.5%, and caused AIMS to be paid based on the higher fee
17 percentage, without: engaging in any investigation to determine whether the
18 increased fee percentage or the amounts to be paid to AIMS were reasonable;
19 engaging in any investigation to determine whether there were other providers who
20 could provide the services at a lower cost; issuing a RFP or engaging in any bid
21 process for the services AIMS provided; seeking advice from a consultant or other
22 expert about the reasonableness of AIMS's fees or alternative providers who could
23 provide the services at a lower cost to the Trust.
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1 44. Following the increase in AIMS's fees to 3.5% of premiums, the
2 monthly bills sent to Participating Employers for their contributions continued to
3 include only a 2% fee for AIMS. To pay AIMS the increased 3.5% fee, Trustees
4 DeWalt and Bakie caused money to be taken from the Plans' reserve funds in the
5 Trust, which were amounts employers and employees had contributed to maintain
6 a fund for "future contingencies," not to pay AIMS the fees that were in excess of
7 the 2% included in their monthly contributions. Fallis knew that DeWalt and
8 Bakie caused the money to be taken from the Trust's reserve funds, and he did not
9 make reasonable efforts to prevent it.
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14 45. The Trustees did not disclose to Participating Employers or their
15 employees that the Trustees had increased AIMS's fees, that the Participating
16 Employers' monthly contributions did not cover the increased fees, or that DeWalt
17 and Bakie authorized taking money from the Trust's reserves to pay AIMS's
18 increased fees.
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Second Fee Increase

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22 46. Trustees DeWalt, Bakie, and Fallis increased AIMS's fees again—this
23 time from 3.5% of premiums to 4% of premiums—by signing an "Associated
24 Employers Health and Welfare Trust Resolution" dated December 30, 2010.
25 Although the resolution did not purport to apply retroactively, the Trustees applied
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1 it retroactively, causing the Trust to make payments to AIMS, after the date of the
2 resolution, as if the increased 4% fee were retroactive to January 1, 2010.
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4 47. As employees and officers of AIMS and as officers of the
5 Association, DeWalt and Bakie had an interest in the amount of fees AIMS
6 received from the Trust. In 2010, fees received from the Trust were approximately
7 40% of AIMS's total revenues, and in 2011, fees from the Trust were
8 approximately 38% of AIMS's total revenues. By retaining and paying AIMS,
9 acting to increase AIMS's fees from 3.5% to 4% of premiums, and causing AIMS
10 to be paid based on the increased fee percentage, DeWalt and Bakie dealt with the
11 assets of the Plans in their own interest.
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15 48. By retaining and paying AIMS, acting to increase AIMS's fees from
16 3.5% to 4% of premiums, and causing AIMS to be paid based on the increased fee
17 percentage, DeWalt and Bakie acted in transactions involving the Plans on behalf
18 of a party (AIMS) whose interest was adverse to the interests of the Plans and their
19 participants and beneficiaries, whose interest was having the Trust pay lower fees
20 for AIMS's services.
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24 49. DeWalt, Bakie, and Fallis also increased AIMS's fees from 3.5% to
25 4% in violation of the Trust Agreement because the requisite number of Trustees
26 did not approve the increase, in violation of the Trust Agreement. DeWalt, Bakie,
27 and Fallis therefore failed to act in accordance with the documents and instruments
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1 governing the Plans, and they caused AIMS to receive payments based upon an
2 approval that violated the Trust Agreement's provisions.
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4 50. DeWalt, Bakie, and Fallis increased AIMS's fees from 3.5% to 4%
5 and caused AIMS to be paid based on the higher fee percentage, without:
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7 engaging in any investigation to determine whether the increased fee percentage or
8 the amounts to be paid to AIMS were reasonable; engaging in any investigation to
9 determine whether there were other providers who could provide the services at a
10 lower cost; issuing a RFP or engaging in any bid process for the services AIMS
11 provided; seeking advice from a consultant or other expert about the
12 reasonableness of AIMS's fees or alternative providers who could provide the
13 services at a lower cost.
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17 51. Following the increase in AIMS's fees to 4% of premiums, the
18 monthly bills sent to Participating Employers for their contributions to the Trust
19 continued to include only a 2% fee for AIMS. To pay AIMS the increased 4% fee,
20 Trustees DeWalt and Bakie caused money to be taken from the Plans' reserve
21 funds in the Trust to pay AIMS the fees that were in excess of the 2% included in
22 the monthly bills. Fallis knew that DeWalt and Bakie caused the money to be
23 taken from the Trust's reserves, and he did not make reasonable efforts to prevent
24 it.
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1 52. The Trustees did not disclose to Participating Employers or their
2 employees that the Trustees had increased AIMS's fees, that the Participating
3 Employers' monthly bills and contributions did not cover the increased fees, or that
4 DeWalt and Bakie authorized taking money from the Trust's reserves to pay the
5 increased fees.
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8 Third and Fourth Fee Increases

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10 53. Trustees DeWalt, Bakie, and Fallis signed an "Associated Employers
11 Health and Welfare Trust Resolution" dated December 31, 2011, by which they
12 purported to increase AIMS's fee to 5¼ % for up to three years, retroactive to July
13 1, 2011. However, in another "Associated Employers Health and Welfare Trust
14 Resolution," *dated the same day, December 31, 2011*, Trustees DeWalt, Bakie,
15 Fallis, and Barton approved an increase of AIMS's fees to 7% of premiums for up
16 to three years, retroactive to January 1, 2011. Thereafter, the Trust made payments
17 to AIMS *based upon the increased 7% fee*, applied retroactively to January 1,
18 2011, through at least the year 2014.
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22 54. As employees and officers of AIMS and as officers of the
23 Association, DeWalt and Bakie had an interest in the amount of fees AIMS
24 received from the Trust. In 2010, fees received from the Trust were approximately
25 40% of AIMS's total revenues. In 2011, fees from the Trust were approximately
26 40% of AIMS's total revenues. In 2012, fees from the Trust were approximately
27 38% of AIMS's total revenues. In 2012, fees from the Trust again were
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1 approximately 38% of AIMS's total revenues. By 2013, fees from the Trust were
2 approximately 50% of AIMS's total revenues. By retaining and paying AIMS and
3 acting to increase AIMS's fees from 4% to 7% of premiums and causing AIMS to
4 be paid based on the increased fee percentage, DeWalt and Bakie dealt with the
5 assets of the Plans in their own interest.
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8 55. By retaining and paying AIMS and acting to increase AIMS's fees
9 from 4% to 7% of premiums and causing AIMS to be paid based on the increased
10 fee percentage, DeWalt and Bakie acted in transactions involving the Plans on
11 behalf of a party (AIMS) whose interest was adverse to the interests of the Plans
12 and their participants and beneficiaries, whose interest was having the Trust pay
13 lower fees for AIMS's services.
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16 56. DeWalt, Bakie, Fallis, and Barton increased AIMS's fees to 7% of
17 premiums and caused AIMS to be paid based on the higher fee percentage,
18 without: engaging in any investigation to determine whether the increased fee
19 percentage or the amounts to be paid to AIMS were reasonable; engaging in any
20 investigation to determine whether there were other providers who could provide
21 the services at a lower cost; issuing a RFP or engaging in any bid process for the
22 services AIMS provided; seeking advice from a consultant or other expert about
23 the reasonableness of AIMS's fees or alternative providers who could provide the
24 services at a lower cost
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1 57. Following the December 2011 increase in AIMS's fees to 7% of
2 premiums until 2013, the monthly bills sent to Participating Employers for their
3 contributions to the Trust continued to include only a 2% fee for AIMS. Starting
4 in 2013, the monthly bills sent to Participating Employers for their premium
5 payments to the Trust included a 4% fee for AIMS, although the bills did not
6 itemize AIMS's fees or the amount of the increase. To pay AIMS the difference
7 between the amounts included in the monthly premium bills (2% or 4%) and the
8 increased 7% fee, Trustees DeWalt and Bakie caused money to be taken from the
9 Trust's reserve funds. Fallis and Barton knew that DeWalt and Bakie caused the
10 money to be taken from the Trust's reserves, and Fallis and Barton did not make
11 reasonable efforts to prevent it.
12
13
14
15
16

17 58. The Trustees did not disclose to Participating Employers or their
18 employees that the Trustees had increased AIMS's fees, that the Participating
19 Employers' monthly contributions did not cover the increased fees, or that DeWalt
20 and Bakie authorized the use of money from the Trust's reserves to pay the
21 increased AIMS fees.
22
23

Total Increased Payments to AIMS

24
25 59. From June 28, 2010, through February 2014, as a result of the
26 Trustees' approvals of fee increases to AIMS and payments made pursuant to those
27 approvals, the Trust paid AIMS over \$3 million more for AIMS's services than
28

1 AIMS would have received if the Trustees had not increased AIMS's 2% (of
2 premiums) fee rate.
3

4 60. From June 28, 2010, through February 2014, DeWalt and/or Bakie
5 caused the Trust to pay, from the Trust's reserves, approximately \$2,578,136 to
6 AIMS for administrative fees. In 2014, DeWalt caused the Trust to transfer a
7 bond, valued at \$70,341, directly from a Trust account to AIMS as payment on
8 administrative fees accrued by AIMS.
9
10

11 61. Making the payments to AIMS from the Trust's reserve funds allowed
12 the Trustees to conceal the increased payments to AIMS and to pay AIMS
13 increased fees without corresponding increases in the Participating Employers'
14 monthly contributions. Each of the Trustees, during the periods they served as
15 Trustee, knew that payments to AIMS were made from the Trust's reserve funds.
16
17 The Trustees did not disclose to Participating Employers or their employees that
18 AIMS's fees had been increased, that their monthly contributions did not cover the
19 increased fees, or that payments to AIMS were made from the Trust's reserves.
20
21

22 62. With respect to the Trustees approvals of the first, second, and fourth
23 fee increase, which increased AIMS's fees progressively from 2% to 3.5% to 4% to
24 7% of premiums, respectively, in a two-year period, the payments made pursuant
25 to those approvals, the removal of money from the Trust's reserves to pay AIMS,
26 and the failures to disclose material facts to the Participating Employers and their
27
28

1 employees about the payments to AIMS, Defendants DeWalt, Bakie, Fallis, and
2 Barton, acting as Trustees, each:

- 3
- 4 a. participated knowingly in the acts or omissions of another
5 fiduciary, knowing such action was a breach of fiduciary duty;
6
- 7 b. by his failure to comply with his own fiduciary duties, enabled
8 another fiduciary to commit a breach of fiduciary duty; and
9
- 10 c. had knowledge of a fiduciary breach by another fiduciary, and
11 failed to make reasonable efforts under the circumstances to
12 remedy the breach.
13

14 **FIRST CLAIM FOR RELIEF**
15 **(Breach of Fiduciary Duties By DeWalt, Bakie, Fallis, Barton, and the**
16 **Association)**

17 63. The Secretary hereby incorporates by reference the allegations of
18 paragraphs 1 through 62 as if set forth anew.

19 64. By their actions, omissions and failures described above, DeWalt,
20 Bakie, Fallis, and Barton:

- 21
- 22 (a) failed to discharge their duties with respect to the Plans solely in the
23 interest of the participants and beneficiaries of the Plans and for the
24 exclusive purpose of providing benefits and defraying reasonable
25 expenses of plan administration, in violation of ERISA section
26
27 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A);
28

1 (b) failed to act with the care, skill, prudence, and diligence under the
2 circumstances then prevailing that a prudent man acting in a like
3 capacity and familiar with such matters would use in the conduct of an
4 enterprise of a like character and with like aims, in violation of
5 ERISA section 404(a)(1)(B), 29 U.S.C. § 1104(a)(1)(B);
6

7
8 (c) caused the Plans, through the Trust, to engage in transactions with
9 AIMS, when they knew or should have known that such transactions
10 constituted the furnishing of services between the Plans and AIMS, a
11 party in interest, in violation of ERISA section 406(a)(1)(C), 29
12 U.S.C. § 1106(a)(1)(C); and
13
14

15 (d) caused the Plans, through the Trust, to engage in transactions that they
16 knew or should have known constituted transfers of Plans' assets to, or
17 for the benefit of AIMS, a party in interest, in violation of ERISA
18 section 406(a)(1)(D); 29 U.S.C. § 1106(a)(1)(D).
19
20

21 65. By the actions, omissions and failures described above, DeWalt,
22 Bakie, and Fallis failed to act in accordance with the documents and instruments
23 governing the Plans insofar as such documents and instruments are consistent with
24 ERISA, in violation of ERISA section 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D).
25

26 66. Furthermore, under ERISA section 405(a)(1), (2), and (3), 29 U.S.C.
27 § 1105(a)(1),(2), and (3), DeWalt, Bakie, Fallis, and Barton, during the time each
28

1 served as a Trustee, are each liable for the fiduciary breaches by the others because
2 each:
3

4 (a) knowingly participated in or concealed acts or omissions of the other,
5 knowing that such acts or omissions were fiduciary breaches;
6

7 (b) enabled the other fiduciaries to commit fiduciary breaches through
8 their own fiduciary breaches of ERISA section 404(a)(1), 29 U.S.C.
9 § 1104(a)(1); and
10

11 (c) had knowledge of the other's fiduciary breaches and did not make
12 reasonable efforts under the circumstances to remedy those breaches.
13

14 67. The Association, which had authority to appoint and remove Trustees,
15 failed to properly monitor their actions. By failing to monitor the Trustees' actions,
16 and by other acts set forth herein, the Association:
17

18 (a) failed to discharge its duties with respect to the Plans solely in the
19 interest of the participants and beneficiaries of the Plan and for the
20 exclusive purpose of providing benefits and defraying reasonable
21 expenses of plan administration, in violation of ERISA section
22 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A);
23

24 (b) failed to act with the care, skill, prudence and diligence under the
25 circumstances then prevailing that a prudent person acting in a like
26 capacity and familiar with such matters would use in the conduct of an
27
28

1 enterprise of a like character and with like aims, in violation of
2 ERISA section 404(a)(1)(B), 29 U.S.C. § 1104(a)(1)(B);
3

4 (c) is liable for the fiduciary breaches of the Trustees under ERISA
5 section 405(a)(1), (2), and (3), 29 U.S.C. § 1105(a)(1), (2), and (3),
6 because it:
7

- 8 i. knowingly participated in or concealed the acts or omissions of
9 the Trustees, knowing that such acts or omissions were
10 breaches;
11
- 12 ii. enabled the Trustees to commit breaches, by breaching its own
13 fiduciary duties under ERISA section 404(a)(1), 29 U.S.C.
14 § 1104(a)(1); and
15
- 16 iii. had knowledge of the fiduciary breaches of the Trustees and did
17 not make reasonable efforts under the circumstances to remedy
18 them.
19
20

21 68. As a result of their fiduciary breaches and actions described herein,
22 DeWalt, Bakie, Fallis, Barton, and the Association caused the Plans to suffer
23 financial losses for which they are jointly and severally liable pursuant to ERISA
24 section 409(a), 29 U.S.C. § 1109(a).
25
26
27
28

1 **SECOND CLAIM FOR RELIEF**
 2 **(Prohibited Self-Dealing by DeWalt and Bakie)**

3 69. The Secretary hereby incorporates by reference the allegations of
 4 paragraphs 1 through 68 as if set forth anew.
 5

6 70. By retaining and paying AIMS, approving the increases in AIMS's
 7 fees, authorizing the Trust's fee payments remitted to AIMS, causing the Trust to
 8 pay AIMS from the reserve funds held by the Trust, and other acts set forth herein,
 9 DeWalt and Bakie:
 10

11 (a) dealt with assets of the Plans in their own interest or for their own
 12 account, in violation of ERISA section 406(b)(1), 29 U.S.C.
 13 § 1106(b)(1); and
 14

15 (b) acted in transactions involving the Plans on behalf of a party (AIMS),
 16 which had interests adverse to the Plans or the interests of participants
 17 or beneficiary of the Plans, in violation of ERISA section 406(b)(2),
 18 29 U.S.C. § 1106(b)(2).
 19

20 71. As a result of their fiduciary self-dealing in violation of ERISA
 21 sections 406(b)(1) and (2), 29 U.S.C. §§ 116(b)(1) and (2), DeWalt and Bakie
 22 caused the Plans to suffer financial losses for which DeWalt and Bakie are jointly
 23 and severally liable pursuant to ERISA section 409(a), 29 U.S.C. § 1109(a).
 24
 25
 26
 27
 28

THIRD CLAIM FOR RELIEF
(AIMS's Knowing Participation in Fiduciary Breaches)

1
2
3 72. The Secretary hereby incorporates the allegations of paragraphs 1
4 through 71 as if set forth anew herein.

5
6 73. AIMS knew the facts and circumstances of the Trustees' and the
7 Association's fiduciary breaches described herein. AIMS knowingly participated
8 in the Trustees' breaches of fiduciary duty by receiving the increases in its fee
9 payments from the Trust, participating in and assisting the Trustees in withholding
10 from the Trust's Participating Employers and employees information about the
11 increases in AIMS's fees, sending monthly premium statements to Participating
12 Employers without including the full amount of AIMS's fees, and receiving
13 payments from reserve funds held by the Trust for those increased fees. AIMS
14 thereby knowingly participated in the Trustees' ERISA violations and under
15 ERISA section 502(a)(5), 29 U.S.C. § 1132(a)(5), is liable for appropriate
16 equitable relief to redress its knowing participation in the Trustees' ERISA
17 violations.
18
19
20
21
22
23

24 *<The remainder of page intentionally left blank.>*
25
26
27
28

PRAYER FOR RELIEF

1
2 WHEREFORE, the Secretary prays that this Court enter a final order (a)
3
4 holding DeWalt, Bakie, Fallis, Barton, and the Association jointly and severally
5
6 liable to restore to the Trust all losses suffered as a result of the ERISA violations
7
8 describe herein, plus prejudgment interest and post judgment interest; (b) requiring
9
10 AIMS to disgorge its fees received as a result of its knowing participation in the
11
12 ERISA breaches described herein, plus prejudgment and post judgment interest; (c)
13
14 enjoining DeWalt, Bakie, Fallis, and Barton from acting as fiduciaries or service
15
16 providers to any ERISA-covered employee benefit plan; (d) appointing an
17
18 Independent Fiduciary to hire and determine the compensation for the Trust's
19
20

21
22
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<The remainder of page intentionally left blank.>

1 service providers; (e) compelling an accounting of the Trust's assets; and (f)
2 providing for such other relief as may be equitable, just, and proper.
3
4

5 Dated: February 24, 2017

Respectfully submitted,

6
7 Nicholas C. Geale
Acting Solicitor of Labor

8
9 G. William Scott
Associate Solicitor
10 Plan Benefit Security Division

11
12 Robert L. Furst
Counsel for Litigation
13 Plan Benefit Security Division

14
15 *s/ Peter B. Dolan*
16 Peter B. Dolan
17 Senior Trial Attorney
18 Eirik J. Cheverud
Trial Attorney
19 Marc Sarata
Trial Attorney
20 Plan Benefits Security Division
21 U.S. Department of Labor
22 Office of the Solicitor
P.O. Box 1914
23 Washington, D.C. 20013
24 Telephone: (202) 693-5612
25 Facsimile: (202) 693-5610
26
27
28

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Edward C. Hugler, Acting Secretary of Labor
United States Department of Labor

(b) County of Residence of First Listed Plaintiff
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)
Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of Solicitor,
P.O. Box 1914, Washington, DC 20013, 202-693-5612

DEFENDANTS

James DeWalt, Robert Bakie, Jack L. Fallis, Jr., Jeffrey A. Barton, Associated Industries Management Services, Inc., The Associated Industries of the Inland Northwest, The Associated Employers Health and Welfare Trust

County of Residence of First Listed Defendant Spokane
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
3 Federal Question (U.S. Government Not a Party)
2 U.S. Government Defendant
4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: Nature of Suit Code Descriptions.

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
2 Removed from State Court
3 Remanded from Appellate Court
4 Reinstated or Reopened
5 Transferred from Another District (specify)
6 Multidistrict Litigation - Transfer
8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.
Brief description of cause:
Fiduciary breaches, prohibited transactions, and knowing participation in same

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ losses in amount to be proved at trial and injunctive relief CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 02/24/2017 SIGNATURE OF ATTORNEY OF RECORD s/ Peter B. Dolan

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT
for the
Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Associated Employers Health and Welfare Trust
1206 N. Lincoln, Suite 200
Spokane, Washington 99201-2559

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. Box 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Associated Industries of the Inland Northwest
1206 N. Lincoln, Suite 200
Spokane, Washington 99201-2559

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. Box 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 _____ .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Associated Industries Management Services, Inc.
1206 N. Lincoln, Suite 200
Spokane, Washington 99201-2559

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. Box 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Robert Bakie
1001 E. Brentwood Drive
Spokane, Washington 99208

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. Box 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Jeffrey A. Barton
5105 North Vista Court
Spokane, Washington 99212

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. Box 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*:

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) James DeWalt
919 East 18th Avenue
Spokane, Washington

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

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was received by me on *(date)* _____ .

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Eastern District of Washington

EDWARD C. HUGLER,
Acting Secretary of Labor,
United States Department of Labor

Plaintiff(s)

v.

JAMES DEWALT, et al.

Defendant(s)

Civil Action No.

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Jack L. Fallis
7306 South Hatch Road
Spokane, Washington 99224

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Peter Dolan, Marc Sarata, Eirik Cheverud
U.S. Dept. of Labor, Office of the Solicitor
P.O. Box 1914
Washington, DC 20013

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date

SEAN F. McAVOY, Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

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_____ on *(date)* _____ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____ , who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____ ; or

I returned the summons unexecuted because _____ ; or

Other *(specify)*: _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____ 0.00 .

I declare under penalty of perjury that this information is true.

Date

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: