

07C 3484

EXHIBIT A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CHICAGO REGIONAL COUNCIL OF)	
CARPENTERS PENSION FUND, et al.,)	
)	
Plaintiffs,)	07 C 3484
v.)	
)	Judge Norgle
PECATONICA FLOORING, INC., an Illinois)	
corporation)	Magistrate Nolan
)	
Defendant.)	

ORDER

Pursuant to Federal Rule of Civil Procedure 55, a judgment by default is hereby entered in favor of the Chicago Regional Council of Carpenters Pension Fund *et al.* ("Trust Funds") and against defendant PECATONICA FLOORING, INC. ("Defendant"). Defendant is hereby ordered:

- A. to provide the Trust Funds or their designated auditors, James Egan & Associates, Ltd. complete access to Defendant's books records within twenty-one (21) days so that the Trust Funds may conduct an audit of Defendant's fringe benefit contributions for the period May 2, 2005, to present;
- B. to pay any and all amounts the Trust Funds may discover to be due pursuant to the audit;
- C. to pay auditor's fees of \$3,735.25 incurred by the Trust Funds to date to complete the audit of Defendant's books and records and such additional auditor's fees as the Trust Funds incur to complete the audit;
- D. to pay interest on the amount that is due pursuant to 29 U.S.C. § 1132(g)(2)(B);
- E. to pay interest or liquidated damages on the amount that is due pursuant to 29 U.S.C. § 1132(g)(2)(C), whichever is greater;
- F. to pay \$1,275.28 in reasonable attorneys' fees and costs the Trust Funds incurred in this action pursuant to 29 U.S.C. § 1132(g)(1) and/or § 1132(g)(2)(D) and attorneys' fees that the Trust Funds incur to obtain full compliance with this Order and to collect any amounts due and owing to the Trust Funds; and

G. to award the Trust Funds such other and further relief as the Court deems just and equitable.

Plaintiff's shall serve a copy of this Order on Defendant.

Date

11-8-07

Judge Charles Norgle

07C 3484

EXHIBIT B

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CHICAGO REGIONAL COUNCIL OF CARPENTERS PENSION FUND, et al.,)	
)	
Plaintiffs,)	07 C 3484
v.)	
)	Judge Norgle
PECATONICA FLOORING, INC., an Illinois corporation)	
)	
Defendant.)	

DECLARATION OF JAMES ROSEMEYER

I, James Rosemeyer, hereby declare, under penalty of perjury pursuant to the laws of the

United States, as follows:

1. I am the Contributions Manager for the Chicago Regional Council of Carpenters Pension Fund ("Pension Fund"), the Chicago Regional Council of Carpenters Welfare Fund ("Welfare Fund"), the Chicago and Northeast Illinois Regional Council of Carpenter Apprentice and Trainee Program ("Trainee Fund") and the Labor/Management Union Carpentry Cooperation Promotion Fund ("Labor/Management Fund") (collectively "the Trust Funds").
2. As part of my duties, I am responsible for supervising and enforcing contributions for medical, pension and other benefits due from numerous employers pursuant to Collective Bargaining Agreements between the employers and the Trust Funds and pursuant to the Trust Agreements.
3. On May 2, 2005, Angela M. Newkirk, as President of PECATONICA FLOORING, INC., ("Defendant") and the Chicago and Northeast Illinois District Council of Carpenters entered into the Collective Bargaining Agreement pursuant to which Defendant

agreed to make contributions to the Trust Funds. A true and accurate copy of this Memorandum of Agreement is attached as Exhibit 1.

4. Defendant agreed to submit to a periodic audit of its books and records in order to verify the accuracy of the contributions reported and paid to the Trust Funds.

5. Defendant initially refused to produce all records and books necessary for the Trust Funds to conduct an audit of Defendant's fringe benefit contributions. After this lawsuit was filed Defendant produced its books and records for an audit.

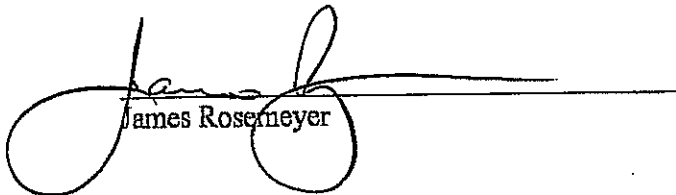
6. A copy of the audit prepared for the Trust Funds is attached as Exhibit 2. According to the audit, Defendant owes \$9,783.33 in unpaid contributions.

7. A summary of the calculation of accrued interest is attached hereto as Exhibit 3. Defendant owes \$2,298.68 in unpaid interest.

8. Because Defendant failed to comply with the terms of the Collective Bargaining Agreement and related Trust Agreements, the Trust Funds have had to employ the services of McJessey, Ching & Thompson, LLC. As a result, the Trust Funds incurred additional audit fees and attorneys' fees.

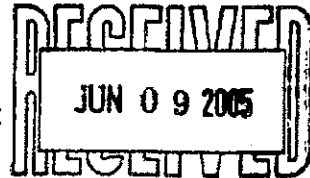
9. I have personal knowledge of the matters stated in this affidavit and could testify competently to them.

FURTHER DECLARANT SAYETH NOT.


James Rosemeyer

07C3484

EXHIBIT 1



Memorandum of Agreement

Employer Pecatonica Flooring Inc Address 105164 Ridott Rd
City Pecatonica State IL Zip 61063 Phone 815-703-4963

THIS AGREEMENT is entered into between the Chicago Regional Council of Carpenters ("Union") and the Employer, including its successors and assigns covering the geographic jurisdiction of the Union including the following counties in Illinois: Boone, Bureau, Carroll, Cook, De Kalb, DuPage, Grundy, Henderson, Henry, Iroquois, Jo Daviess, Kane, Kankakee, Kendall, Lake, La Salle, Lee, Marshall, McHenry, Mercer, Ogle, Putnam, Rock Island, Stark, Stephenson, Whiteside, Will, Winnebago. The following counties in Iowa: Allamakee, Appanoose, Benton, Black Hawk, Bremer, Buchanan, Butler, Cedar, Cerro Gordo, Chickasaw, Clayton, Clinton, Davis, Delaware, Des Moines, Dubuque, Fayette, Floyd, Franklin, Grundy, Hancock, Henry, Howard, Iowa, Jackson, Jefferson, Johnson, Jones, Keokuk, Kossuth, Lee, Linn, Louisa, Mahaska, Mitchell, Monroe, Muscatine, Scott, Tama, Van Buren, Wapello, Washington, Wayne, Winnebago, Winneshiek, Worth, Wright. The following counties in Wisconsin: Kenosha, Milwaukee, Ozaukee, Racine, Washington and Waukesha. The Union and the Employer do hereby agree to the following:

1. The Employer recognizes the Union as the sole and exclusive bargaining representative on behalf of its employees who are working within the territorial and occupational jurisdiction of the Union.
2. The Employer has reviewed sufficient evidence and is satisfied that the Union is the exclusive bargaining representative of a majority of its employees presently working within the territorial and occupational jurisdiction of the Union.
3. The Employer and the Union agree to incorporate into this Memorandum Agreement and to be bound by the Agreements negotiated between the Chicago Regional Council of Carpenters and various employers and employer associations, including all Area Agreements for the period beginning with the execution of this Memorandum Agreement and ending on the expiration dates of any current and successor Agreements which are incorporated herein (see attached list). Unless the Employer provides written notice by certified mail to the Chicago Regional Council of its desire to terminate or modify the Agreement at least three (3) calendar months prior to the expiration of such Agreements, the Agreement shall continue in full force and effect through the full term and duration of all subsequent Agreements which are incorporated by reference.
4. The Employer agrees to be bound to the terms of the various Trust Agreements to which contributions are required to be made under the Agreements incorporated in Paragraph 3, including all rules and regulations adopted by the Trustees of each Fund.

In Witness Whereof the parties have executed this Memorandum of Agreement on this 2 day of May 2005

EMPLOYER
Angela M. Newkirk
Angela M. Newkirk
Print Name and Title President

CHICAGO REGIONAL COUNCIL
OF CARPENTERS
Steve Westrip
Authorized Regional Council
Representative
ENTERED
DATE 6/1/05 rc

07C 3484

EXHIBIT 2

Discrepancy Summary By Month

Account Number:	24025	Audit Period:	May 1, 2005 to March 31, 2006
Employer:	Pecatonica Flooring Inc	Contact:	Angela Newkirk
Address:	10564 Ridott Rd Pecatonica, IL 61063	Title:	Owner
Phone:	815-703-4963	Page:	1 of 14

Reporting Period	Discrepancy Total Hours	Discrepancy Benefit Hours	Contribution Rate	Discrepancy Amount
May 2005	0.00	33.50	11.02	\$369.17
June 2005	0.00	35.50	11.02	\$391.21
July 2005	0.00	72.00	11.02	\$793.44
August 2005	0.00	41.00	11.02	\$451.82
September 2005	0.00	41.00	11.02	\$451.82
October 2005	0.00	67.50	12.68	\$855.90
November 2005	0.00	102.25	12.68	\$1,296.53
December 2005	0.00	153.75	12.68	\$1,949.55
January 2006	0.00	101.25	12.68	\$1,283.85
February 2006	0.00	113.00	12.68	\$1,432.84
March 2006	0.00	40.00	12.68	\$507.20

	Total Hours	0.00	Benefit Hours	800.75	Discrepancy Amount	\$9,783.33
					Liquidated Damages	\$1,956.66
					Total Amount Due	\$11,739.99

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: May 2005
 Address: 10564 Ridott Rd Page #: 4 of 14
 Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *				Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference			
					W/E 7-May	W/E 14-May	W/E 21-May	W/E 28-May					W/E		
2	Pam Schock	CD1	0.00	0.00	0.00	0.00	0.00	33.50	33.50	0.00	33.50				
Total											0.00	0.00	33.50	0.00	33.50

Total Items Listed in this Period: 1.00

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: June 2005
 Address: 10564 Ridott Rd Page #: 5 of 14
 Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *					Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 4-Jun	W/E 11-Jun	W/E 18-Jun	W/E 25-Jun	W/E			
2	Pam Schock	CD1	0.00	0.00	8.75	9.25	8.75	8.75	8.75	35.50	0.00	35.50
			Total		8.75	9.25	8.75	8.75	0.00	35.50	0.00	35.50

Total Items Listed in this Period: 1.00

Monthly Detail Report

Account Number:	24025	Audit Period:	May 1, 2005 to March 31, 2006
Employer:	Pecatonica Flooring Inc	Month:	July 2005
Address:	10564 Ridott Rd Pecatonica, IL 61063	Page #:	6 of 14
Phone:	815-703-4963		

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	Actual Hours Per Week					W/E 30-Jul	Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 2-Jul	W/E 9-Jul	W/E 16-Jul	W/E 23-Jul	W/E 30-Jul					
2	Pam Schock	CD1	0.00	0.00	8.75	8.75	8.75	34.00	11.75	72.00	72.00	0.00	72.00	
Total					8.75	8.75	34.00	11.75	72.00	72.00	0.00	72.00		

Total Items Listed in this Period: 1.00

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: August 2005
 Address: 10564 Ridott Rd
 Pecatonica, IL 61063
 Phone: 815-703-4963 Page #: 7 of 14

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *				Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 6-Aug	W/E 13-Aug	W/E 20-Aug	W/E 27-Aug				
2	Pam Schock	CD1	0.00	0.00	10.25	10.25	10.25	10.25	41.00	41.00	0.00	41.00
Total				0.00	0.00	10.25	10.25	10.25	41.00	41.00	0.00	41.00

Total Items Listed in this Period: 1.00

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: September 2005
 Address: 10564 Ridott Rd Page #: 8 of 14
 Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *					Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 3-Sep	W/E 10-Sep	W/E 17-Sep	W/E 24-Sep	W/E				
2	Pam Schock	CD1	0.00	0.00	10.25	10.25	10.25	10.25	10.25	41.00	41.00	0.00	41.00
Total			0.00	0.00	10.25	10.25	10.25	10.25	10.25	41.00	41.00	0.00	41.00

Total Items Listed in this Period: 1.00

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: October 2005
 Address: 10564 Ridott Rd Page #: 9 of 14
 Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	Actual Hours Per Week							Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 1-Oct	W/E 8-Oct	W/E 15-Oct	W/E 22-Oct	W/E 29-Oct	Total Hours				
1	Carlos Negrón	CD1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.50	12.50	12.50	0.00	12.50
2	Pam Schock	CD1	0.00	0.00	14.75	10.00	10.00	10.00	10.00	10.00	55.00	55.00	0.00	55.00
Total														
					10.25	14.75	10.00	10.00	10.00	22.50	67.50	67.50	0.00	67.50

Total Items Listed in this Period: 2.00

Monthly Detail Report

Account Number: 24025 **Audit Period:** May 1, 2005 to March 31, 2006
Employer: Pecatonica Flooring Inc **Month:** November 2005
Address: 10564 Ridott Rd **Page #:** 10 of 14
Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	Actual Hours Per Week							Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 5-Nov	W/E 12-Nov	W/E 19-Nov	W/E 26-Nov	W/E	W/E	W/E				
1	Carlos Negron	CD1	0.00	0.00	15.50	14.25	15.50	14.25	14.25		59.50	59.50	0.00	59.50	
2	Pam Schock	CD1	0.00	0.00	10.00	4.25	18.50	10.00	10.00		42.75	42.75	0.00	42.75	
Total					25.50	18.50	34.00	24.25	0.00		102.25	102.25	0.00	102.25	

Total Items Listed in this Period: 2.00

Monthly Detail Report

Account Number: 24025 **Audit Period:** May 1, 2005 to March 31, 2006
Employer: Pecatonica Flooring Inc **Month:** December 2005
Address: 10564 Ridott Rd **Page #:** 11 of 14
Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *							Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 3-Dec	W/E 10-Dec	W/E 17-Dec	W/E 24-Dec	W/E 31-Dec	Total Hours				
1	Carlos Negron	CD1	0.00	0.00	14.25	14.25	14.25	18.50	25.50	86.75	86.75	0.00	86.75	
2	Pam Schock	CD1	0.00	0.00	10.00	10.00	10.00	10.00	10.00	67.00	67.00	0.00	67.00	
Total					24.25	24.25	41.25	28.50	35.50	153.75		0.00	153.75	

Total Items Listed in this Period: 2.00

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: January 2006
 Address: 10564 Ridott Rd Page #: 12 of 14
 Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *					Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 7-Jan	W/E 14-Jan	W/E 21-Jan	W/E 28-Jan	W/E				
1	Carlos Negron	CD1	0.00	0.00	14.25	14.25	14.25	14.25		57.00	57.00	0.00	57.00
2	Pam Schock	CD1	0.00	0.00	15.75	10.00	8.50	10.00		44.25	44.25	0.00	44.25
Total					30.00	24.25	22.75	24.25	0.00	101.25		0.00	101.25

Total Items Listed in this Period: 2.00

Monthly Detail Report

Account Number: 24025 Audit Period: May 1, 2005 to March 31, 2006
 Employer: Pecatonica Flooring Inc Month: February 2006
 Address: 10564 Ridott Rd Page #: 13 of 14
 Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *				Total Hours	Capped Hours	Total Hour Difference	Benefit Hour Difference
					W/E 4-Feb	W/E 11-Feb	W/E 18-Feb	W/E 25-Feb				
1	Carlos Negron	CD1	0.00	0.00	14.25	14.25	14.25	14.25	57.00	57.00	0.00	57.00
2	Pam Schock	CD1	0.00	0.00	10.00	17.50	18.50	10.00	56.00	56.00	0.00	56.00
Total					24.25	31.75	32.75	24.25	113.00	0.00	0.00	113.00

Total Items Listed in this Period: 2.00

Monthly Detail Report

Account Number: 24025 **Audit Period:** May 1, 2005 to March 31, 2006
Employer: Pecatonica Flooring Inc **Month:** March 2006
Address: 10564 Ridott Rd **Page #:** 14 of 14
Phone: Pecatonica, IL 61063
 815-703-4963

Reference Number	Employee Name	Error Code	Total Hours Reported	Benefit Hours Reported	* * * * * Actual Hours Per Week * * * * *							Total Hour Difference	Benefit Hour Difference	
					W/E 4-Mar	W/E 11-Mar	W/E 18-Mar	W/E 25-Mar	W/E 1-Apr	Total Hours	Capped Hours			
2	Pam Schock	CD1	0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00	40.00	40.00	0.00	40.00
Total			0.00	0.00	0.00	10.00	10.00	10.00	10.00	10.00	40.00	40.00	0.00	40.00

Total Items Listed in this Period: 1.00

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EXHIBIT 3

Summary of Contributions, Liquidated Damages & Interest Due
 For The Reporting Period(s) Specified Below
 Computed Through December 1, 2008

Employer Information

File Number 24025
Name PECATONICA FLOORING INC
Address 10564 RIDOTT ROAD
City, State PECATONICA, IL. 61063-0000
Telephone

Page Number 1 of 3
 Reference Number: 7-67
 Date Printed: 12/01/2008

Reporting Period	Delinquent Contributions	Liquidated Damages (1)	Interest (1)	Total Due
May, 2005	\$ 369.17	\$ 331.10	\$ 101.86	\$ 802.13
June, 2005	391.21	339.90	105.49	836.60
July, 2005	793.44	667.46	208.84	1,669.74
August, 2005	451.82	367.79	116.03	935.64
September, 2005	451.82	355.68	112.93	920.43
October, 2005	855.90	651.17	207.61	1,714.68
November, 2005	1,296.53	952.66	305.28	2,554.47
December, 2005	1,949.55	1,382.50	444.80	3,776.85
January, 2006	1,283.85	878.00	283.59	2,445.44
February, 2006	1,432.84	944.24	307.16	2,684.24
March, 2006	507.20	321.81	105.09	934.10
Grand Total (3)	\$ 9,783.33	\$ 1,956.67	\$ 2,298.68	\$ 14,038.67

(1) See Attached Computation

(3) Total Damages Capped at 20.00% in Accordance With ERISA Limitation

Total Amount Due : \$ 14,038.67 If Paid by December 1, 2008

Computation of Liquidated Damages
For The Reporting Period(s) Specified Below
Computed Through December 1, 2008

Employer Information

File Number 24025
Name PECATONICA FLOORING INC
Address 10564 RIDOTT ROAD
City, State PECATONICA, IL. 61063-0000
Telephone

Page Number 2 of 3
Reference Number: 7-67
Date Computed: 12/01/2008

Reporting Period	Contributions Due	Computation Base	Compounding Periods	Computed Damages (2)	Total (3) Damages For Reporting Period
May, 2005	\$ 369.17	\$ 369.17	43	\$ 331.10	\$ 331.10
June, 2005	391.21	391.21	42	339.90	339.90
July, 2005	793.44	793.44	41	667.46	667.46
August, 2005	451.82	451.82	40	367.79	367.79
September, 2005	451.82	451.82	39	355.68	355.68
October, 2005	855.90	855.90	38	651.17	651.17
November, 2005	1,296.53	1,296.53	37	952.66	952.66
December, 2005	1,949.55	1,949.55	36	1,382.50	1,382.50
January, 2006	1,283.85	1,283.85	35	878.00	878.00
February, 2006	1,432.84	1,432.84	34	944.24	944.24
March, 2006	507.20	507.20	33	321.81	321.81
Total (3)	\$ 9,783.33				\$ 1,956.67

(2) 1.50% Compounded per Month (or portion thereof)

(3) Total Damages Capped at 20.00% in Accordance With ERISA Limitation

Computation of Interest
 For The Reporting Period(s) Specified Below
 Computed Through December 1, 2008

Employer Information

File Number 24025
Name PECATONICA FLOORING INC
Address 10564 RIDOTT ROAD
City, State PECATONICA, IL. 61063-0000
Telephone

Page Number 3 of 3
 Reference Number: 7-67
 Date Computed: 12/01/2008

Reporting Period	Contributions	Computation	-- Delinquent Period --			Computed	Total
	Due	Base	From	To	Days	Interest (3)	Interest For Reporting Period
May, 2005	\$ 369.17	\$ 369.17	06/21/2005	12/01/2008	1,260	\$ 101.86	\$ 101.86
June, 2005	391.21	391.21	07/21/2005	12/01/2008	1,230	105.49	105.49
July, 2005	793.44	793.44	08/21/2005	12/01/2008	1,199	208.84	208.84
August, 2005	451.82	451.82	09/21/2005	12/01/2008	1,168	116.03	116.03
September, 2005	451.82	451.82	10/21/2005	12/01/2008	1,138	112.93	112.93
October, 2005	855.90	855.90	11/21/2005	12/01/2008	1,107	207.61	207.61
November, 2005	1,296.53	1,296.53	12/21/2005	12/01/2008	1,077	305.28	305.28
December, 2005	1,949.55	1,949.55	01/21/2006	12/01/2008	1,046	444.80	444.80
January, 2006	1,283.85	1,283.85	02/21/2006	12/01/2008	1,015	283.59	283.59
February, 2006	1,432.84	1,432.84	03/21/2006	12/01/2008	987	307.16	307.16
March, 2006	507.20	507.20	04/21/2006	12/01/2008	956	105.09	105.09
Total	\$ 9,783.33						\$ 2,298.68