# **EXHIBIT** A

### IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND and HOWARD McDOUGALL, trustee,	) ) )
Plaintiffs,	) Case No. 10 CV 2446 ) Judge George W. Lindberg
٧.	)
J. R. MAZZOLA, INC., a Michigan corporation,	) n, )
Defendant.	) )

#### **AFFIDAVIT OF JUAN J. BEATON**

State of Illinois	)
	) SS
County of Cook	)

- I, Juan J. Beaton, having been duly sworn on oath, depose and state as follows:
- I am the Division Manager of the Collections Division at the Central States,
   Southeast and Southwest Areas Pension Fund (the "Pension Fund"). I have personal knowledge of the facts set forth below and would be competent to testify as to these facts if called as a witness in this matter.
- 2. I am responsible for managing the collection of past due employer contributions owed to the Funds, including past due employer contributions owed by Defendant J. R. Mazzola, Inc. a Michigan corporation ("Mazzola").
- 3. In the regular course of business, the Pension Fund keeps and maintain files relating to the contributions owed by Mazzola to the Pension Fund. The files are under my dominion and control.

- 4. On the date this action was filed and to the present date, Plaintiff Howard McDougall was and is one of the trustees and a fiduciary of the Pension Fund. The Trustees are the plan sponsors of the Pension Fund within the meaning of Section 4001(a)(10) of ERISA, 29 U.S.C. § 1301(a)(10).
- 5. The Pension Fund is a multiemployer plan which is administered at its principal place of business at 9377 West Higgins Road, Rosemont, Cook County, Illinois.
- 6. The Pension Fund receives contributions from numerous employers pursuant to collective bargaining agreements by and between employers and various local unions affiliated with the International Brotherhood of Teamsters ("IBT").
- 7. The contributions received by the Pension Fund are used to provide pension benefits to the Pension Fund's participants and beneficiaries.

### I. J.R. Mazzola, Inc.'s Obligation to Contribute

- 8. The Pension Fund's records indicate that Mazzola was bound by a collective bargaining agreement entered into with Local Union No. 337 of the IBT ("Local 337") covering the period March 1, 2007, through at least September 1, 2011, pursuant to which Mazzola was required to pay monthly employer contributions to the Pension Fund on behalf of certain of its employees.
  - 9. Mazzola also agreed to be bound by the Pension Fund Trust Agreement.
- 10. The Pension Fund relies upon employers, including Mazzola, to self-report the work history of eligible employees. Under this self-reporting system, participating employers initially establish a base group of employees for whom contributions are due. Thereafter, the employer is required to notify the Pension Fund on a monthly basis of any changes in the employment status of individuals covered by the collective bargaining agreement (e.g., layoffs, new hires, terminations, etc.). The Pension Fund relies upon

these reports submitted by employers to prepare a monthly contributions bill that is sent to the employers. Contributions for each calendar month are due 15 days after the end of the month.

- 11. During the period of October 2009 through February 2010, Mazzola reported the work history of its employees to the Pension Fund.
- 12. Mazzola failed to pay all of the contributions and interest revealed to be owed based on the work history it reported to the Pension Fund for the month of October 2009, and the months of December 2009 through February 2010.

### III. Calculation Of Amount Owed By J. R. Mazzola, Inc.

- 13. The Pension Fund is entitled to the following relief when prevailing in an action under Section 515 of ERISA, 29 U.S.C. § 1145:
  - (i) the unpaid contributions;
  - (ii) interest on the unpaid contributions;
  - (iii) an amount equal to the greater of the interest or liquidated damages as provided under the Plan in an amount not in excess of twenty percent (20%) of the unpaid contributions; and
  - (iv) reasonable attorney's fees and costs.

An award of these amounts is mandatory. *Cent. States, Se. & Sw. Areas Pension Fund v. Gerber Truck Serv.*, 870 F.2d 1148, 1156 (7<sup>th</sup> Cir. 1989) (*en banc*).

- 14. Pursuant to 29 U.S.C. § 1132(g)(2), Mazzola owes the Pension Fund the principal amount of \$12,963.70 for delinquent contributions.
- 15. Pursuant to 29 U.S.C. § 1132(g)(2), interest is computed and charged at the rate set by the plan.
  - 16. Under the Pension Fund's Trust Agreement as amended through December

- 28, 2008, interest prior to February 15, 2010, is computed and charged at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, N.A. for the fifteenth (15th) day of the month for which interest is charged.
- 17. Under the Pension Fund's Trust Agreement as amended through February 28, 2010, interest after February 14, 2010, is computed and charged at the greater of (a) an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, N.A. for the fifteenth (15th) day of the month for which interest is charged, or (b) an annualized interest rate equal to seven and one-half (7.5%) percent.
- 18. Through July 20, 2010, Mazzola owes the Pension Fund \$463.83 in interest on the unpaid contributions. A true and accurate Breakdown of Contributions Outstanding is attached hereto as Exhibit 1.
- 19. Under 29 U.S.C. § 1132(g)(2), the Pension Fund is entitled to the greater of interest on the unpaid contributions or liquidated damages in the amount of twenty percent (20%) of unpaid employer contributions. The Pension Fund's Plan provide for liquidated damages in the amount of 20% of the unpaid contributions.
  - 20. Mazzola owes the Pension Fund \$2,592.74 in liquidated damages.
- 21. Under the Pension Fund's Trust Agreement, interest on a judgment entered against an employer is computed and charged at an annualized interest rate equal to the greater of (a) two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, N.A. for the fifteenth day of the months for which the interest is charged, or (b) seven and one-half percent (7.5%), compounded annually.

## **FURTHER AFFIANT SAYETH NOT.**

Juan J. Beaton

Subscribed and sworn to before me, a Notary Public, this 21st

day of July, 2010.

Notary Public

Official Seal
Connie Boven
Notary Public State of Illinois
My Commission Expires 08/10/2011

**EXHIBIT 1** 

# CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

# BREAKDOWN OF CONTRIBUTIONS OUTSTANDING AS OF JULY 19, 2010

#### JR MAZZOLA INC. ACCOUNT NO. 5117300-0107

terminal. <u>NO</u>	DESCRIPTION	<u>AMOUNT</u>	INT. THRU 07/20/10*	PAYMENTS <u>APPLIED</u>	DATE <u>POSTED</u>	BALANCE <u>DUE</u>
1237116	Work history T. Mazzola	\$316.50	\$6.09	\$316.50 6.02	09/16/2005 11/25/2005	\$0.07
2041606	10/2009 Billing	5,227.50	81.06	4,182.50	01/19/2010	1,126.06
2060643	11/2009 Billing	4,182.00	9.60	4,182.00	01/06/2010	9.60
2082259	12/2009 Billing	4,182.00	149.16	0.00		4,331.16
2100545		5,227.50	160.50	0.00		5,388.00
2121218	02/2010 Billing	2,509.20	63.44	0.00		2,572.64
TOTALS	-	\$21,644,70	\$469.85	\$8,687.02		<u>\$13,427.53</u> **

#### FOOTNOTES:

(A) Doubling of interest

<u>\$463,83</u>

(B) Liquidated damages, based on the unpaid contributions in the amount of 20%

\$2,592.74

<sup>\*</sup>Interest thru 07/20/10 computed on individual items from date due.

<sup>\*\*</sup> A judgment entered against an employer shall include the total balance due as stated above plus an additional amount equal to the greater of: