

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This settlement agreement and mutual release ("Settlement Agreement") is entered into this ___ day of June 2017 by and between the Trustees of the Fox Valley & Vicinity Laborers Health and Welfare and Pension Funds (the "Funds"), Hugh Henry Construction Inc., an Illinois Corporation ("Hugh Henry"), Tracey Biesterfeldt, individually, and Michael Gallagher, individually. Hugh Henry, Biesterfeldt, Gallagher are collectively referred to hereinafter as the "Defendants." The Defendants and the Funds are collectively referred to hereinafter as the "Parties."

RECITALS

WHEREAS, for at least the period of November 1, 2013 through the present, Hugh Henry has operated as a construction company;

WHEREAS, at all material times, Hugh Henry has been a signatory to a Collective Bargaining Agreement ("CBA") that requires Hugh Henry to make fringe benefit contributions to the Funds;

WHEREAS, audits conducted of Hugh Henry by the Funds have revealed that Hugh Henry did not remit contributions to the Funds as required for various months during the period of November 1, 2013 through December 31, 2016;

WHEREAS, under the CBA and the Funds' governing documents to which Hugh Henry is bound, Hugh Henry must pay liquidated damages, interest, attorneys' fees, and auditor fees in connection with collection of delinquent contributions;

WHEREAS, the Funds filed a lawsuit against Hugh Henry and Biesterfeldt in the United States District Court for the Northern District of Illinois, Eastern Division, *Fox Valley & Vicinity Laborers' Health & Welfare and Pension Funds, et al. v. Hugh Henry Construction, Inc. and Tracey Biesterfeldt*, designated as Case No. 16-cv-7203 (the "Lawsuit");

WHEREAS, in the Lawsuit, the Funds alleged that Hugh Henry owes fringe benefit contributions, interest, liquidated damages, and attorneys fees and costs to the Funds for certain months beginning November 1, 2013, and that Tracey Biesterfeldt is individually liable;

WHEREAS, in the Lawsuit, Biesterfeldt has conceded her personal liability through an Agreed Judgment order entered on January 24, 2017;

WHEREAS, Hugh Henry, Biesterfeldt, Gallagher, and the Funds have reached settlement to fully and finally resolve the issues in the Lawsuit;

WHEREAS, the Parties are represented by legal counsel in the Lawsuit and have had the opportunity consult with their legal counsel before entering into this Settlement Agreement;

EXHIBIT A

NOW THEREFORE, for and in consideration of the provisions, covenants, and mutual promises contained herein, Hugh Henry, Biesterfeldt, Gallagher, and the Funds hereby agree as follows:

TERMS AND CONDITIONS

1. PAYMENT PLAN. The Defendants will pay to the Funds the amount of \$419,221.93, plus 4.5 percent interest compounded monthly, through 37 monthly payments made pursuant to the following schedule:

<u>Payment No.</u>	<u>Due Date</u>	<u>Amount</u>	<u>Payment No.</u>	<u>Due Date</u>	<u>Amount</u>
1	7/1/2017	\$ 5,000.00	19	1/1/2019	\$ 11,700.29
2	8/1/2017	\$ 5,000.00	20	2/1/2019	\$ 11,700.29
3	9/1/2017	\$ 5,000.00	21	3/1/2019	\$ 11,700.29
4	10/1/2017	\$ 5,000.00	22	4/1/2019	\$ 11,700.29
5	11/1/2017	\$ 9,500.00	23	5/1/2019	\$ 11,700.29
6	12/1/2017	\$ 9,500.00	24	6/1/2019	\$ 11,700.29
7	1/1/2018	\$ 9,500.00	25	7/1/2019	\$ 11,700.29
8	2/1/2018	\$ 9,500.00	26	8/1/2019	\$ 11,700.29
9	3/1/2018	\$ 9,500.00	27	9/1/2019	\$ 11,700.29
10	4/1/2018	\$ 9,500.00	28	10/1/2019	\$ 11,700.29
11	5/1/2018	\$ 9,500.00	29	11/1/2019	\$ 11,700.29
12	6/1/2018	\$ 9,500.00	30	12/1/2019	\$ 11,700.29
13	7/1/2018	\$ 11,700.29	31	1/1/2020	\$ 11,700.29
14	8/1/2018	\$ 11,700.29	32	2/1/2020	\$ 11,700.29
15	9/1/2018	\$ 11,700.29	33	3/1/2020	\$ 11,700.29
16	10/1/2018	\$ 11,700.29	34	4/1/2020	\$ 11,700.29
17	11/1/2018	\$ 11,700.29	35	5/1/2020	\$ 11,700.29
18	12/1/2018	\$ 11,700.29	36	6/1/2020	\$ 11,700.29
			37	7/1/2020	\$ 79,441.34

Provided, however, that should Defendants make every payment on time and in full, the Funds will waive the Defendants' obligation to pay payment no. 37.

All payments must be made payable to "Fox Valley Laborers' Health & Welfare and Pension Funds" and must be delivered to:

Josiah A. Groff
DOWD, BLOCH, BENNETT, CERVONE, AUERBACH & YOKICH
8 South Michigan Avenue, 19th Floor
Chicago, Illinois 60603

Delivery of payments to any other address will constitute default under this Settlement Agreement, as provided for in paragraph 5, below.

2. AMENDED COMPLAINT AND DISMISSAL OF LAWSUIT. Within three business days of this Settlement Agreement being fully executed, the Funds will file a motion in the Lawsuit for leave to file the amended complaint which is attached to this Settlement Agreement as Exhibit 1. The Defendants hereby agree that the Funds may represent that motion as agreed. Within three business days of the Funds filing the amended complaint in the Lawsuit, Gallagher will file his appearance in the Lawsuit. Gallagher hereby waives for all time any right to contest personal jurisdiction over him in the Lawsuit. Within three business days of Gallagher filing his appearance in the Lawsuit, the Funds will file a motion in the Lawsuit requesting entry of the parties' Agreed Order of Dismissal with Leave to Reinstate, which is attached to this Settlement Agreement as Exhibit 2.

3. SECURITY AGREEMENT. At the same time as they execute this Agreement, the Defendants will execute and provide to the Funds a Security Agreement, an unsigned copy of which is attached to this Settlement Agreement as Exhibit 3. The Funds may, at their option, file the executed Security Agreement with the Illinois Secretary of State.

4. ATTORNEYS' FEES. In the event of a breach of this Settlement Agreement by the Defendants, then the Defendants, jointly and severally, promise to pay all of the Funds' costs of collection and reasonable attorneys' fees incurred as a result of that breach, including, but not limited to, reasonable attorneys' fees incurred in collecting on any outstanding balance of the Agreed Judgment.

5. DEFAULT.

Events Constituting Default

Each of the following constitutes an event of default under this Agreement (“Default”):

- A. Default on Obligation. Defendants’ failure to make any payment when due pursuant to the terms of paragraph 1, above;
- B. Non-Compliance with Agreements. Defendants’ failure to comply with or to perform any term, obligation, covenant or condition contained in the Judgment, this Agreement, the Labor Agreement between Hugh Henry and the Laborers District Council, or any other agreement between the Funds and Defendants;
- C. Default to Third Parties. Defendants’ default under any loan, extension of credit, security agreement, Promissory Note, purchase or sales agreement, or any other agreement with any other person, that may materially affect any of Defendants’ property or ability to repay the Obligation or perform its duties under this Agreement;
- D. False Statements. Defendants’ making any false or misleading warranty, representation, or statement to the Funds relating to this Agreement;
- E. Dissolution or Merger. The dissolution or termination of Hugh Henry’s existence as a going business, or the merger or consolidation of Debtors with another entity;
- F. Insolvency. The insolvency of Hugh Henry, the appointment of a receiver for any part of Hugh Henry’s property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against one or more of the Defendants;
- G. Collateral Loss or Damage. Loss, theft, substantial damage, destruction, sale, reduction in value, encumbrance of (other than pursuant to this Agreement), damage to, or change in the Collateral;
- H. Judicial or Other Proceedings. Commencement of collections, foreclosure, or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Defendants or any governmental agency against the Collateral. Commencement of such proceedings shall not constitute an event of default if there is a good faith dispute by Defendants as to the validity or reasonableness of the claim which is the basis of the proceeding and if Defendants give the Funds written notice of the proceeding and deposits with the Funds monies or a surety bond for the proceeding, in an amount determined by the Funds, in their sole discretion, as being an adequate reserve or bond for the dispute;

- I. Events Affecting Guarantor. The occurrence of any of the preceding events with respect to any Guarantor of any part of the Obligation, or the death or incompetence of such Guarantor. The Funds, at their option, may but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to The Funds and, in doing so, cure the Default;
- J. Adverse Change. The occurrence of a material adverse change in Defendants' financial condition, or the belief of the Funds that the prospect of payment or performance of the Obligation is impaired;
- K. Insecurity. The Funds, in good faith, deems themselves insecure.

No Waiver

The Funds shall not be deemed to have waived any rights under this Settlement Agreement unless such waiver is given in writing and signed by the Funds. No delay or omission on the part of the Funds in exercising any right in this Settlement Agreement shall operate as a waiver of such right or any other right.

Entry of Agreed Judgment in Event of Default

At the same time as they execute this Agreement, the Defendants will execute and provide to the Funds the Agreed Judgment, an unsigned copy of which is attached to this Settlement Agreement as Exhibit 4. In the event of Default, the Funds may in their discretion file a motion to re-open the case and for entry of the Agreed Judgment. In the event of Default, Defendants waive all objections or defenses to the Court re-opening the case and entering the Agreed Judgment, other than a defense that they are current on the payments described in paragraph 1 and that none of the other conditions for Default exist.

In the event the Agreed Judgment is entered, the Funds will cooperate with a request from the Defendants to promptly enter a partial satisfaction of judgment reflecting the extent to which Defendants have made the payments described in paragraph 1.

Neither this remedy of entry of an Agreed Judgment, nor any other remedy in this Settlement Agreement, prevents the Funds from seeking enforcement of this Settlement Agreement in a new lawsuit, which may include a request for a judgment in the amount of any unpaid portion of the principal on the payment plan described in paragraph 1, above, plus any accrued interest.

Notice of Default and Opportunity to Cure

In the event that Defendants fail to make payment as scheduled in paragraph 1, they shall be deemed in Default after: (a) the Funds have sent notice of non-payment to Tracey Biesterfeldt

and Michael Gallagher, via first class mail to 4917 W. Balmoral, Chicago, IL 60630; and (b) five days have transpired without Defendants curing the non-payment.

If any other Default is curable and if Defendants have not been given prior notice of the Default, it may be cured (and no Default will have occurred), if Defendants, after the Funds send written notice demanding cure of such Default, (a) cure the default within five days, or (b) if the cure requires more than five days, immediately initiate steps that the Funds deem in their sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

6. MUTUAL RELEASE. The Parties agree that this Settlement Agreement is being entered into for the express purpose of entering into a full and final compromise, adjustment and settlement of all claims which were, or could have been, asserted by any of the Parties in the Lawsuit, except as otherwise stated in this Agreement.

- a. For the sole consideration and rights set forth in this Settlement Agreement, the Funds and their respective trustees (collectively, "Plaintiffs") forever release, acquit and discharge Defendants from any and all claims based on hours worked by Hugh Henry's employees prior to January 1, 2017.
- b. For the sole consideration and rights set forth in this Settlement Agreement, the Defendants forever release, acquit and discharge the Funds and their respective trustees, employees, agents, attorneys, and representatives from any and all known and unknown claims, causes of action or charges which were, or could have been, asserted by Defendants in the Lawsuit, or any other lawsuit that could have been filed through the date of this Settlement Agreement, including to address the claims or allegations related to, or arising out of, the Lawsuit. This release by Defendants includes, but is not limited to, all liability, damages of any kind, harm of any kind, costs, attorney's fees, injury to reputation, and monetary benefits or compensation of any nature whatsoever whether known or unknown.
- c. Notwithstanding any other provisions of this Settlement Agreement, the following are not released or barred:
 - i. claims, causes of action or charges relating to the enforcement of any provision of this Settlement Agreement;
 - ii. claims, causes of action or charges that the Funds may have against Defendants based on the obligation of Defendants to contribute to the Funds for any period after December 31, 2016;
 - iii. claims, causes of action or charges that the Funds may have against Defendants based on an audit covering any time period after December 31,

2016; and

- iv. claims, causes of action or charges that the Funds may have against any party based on the Mechanics Lien Act, 770 ILCS 60/1 *et seq.*, and the Public Construction Bond Act, 30 ILCS 550/1 *et seq.*, including but not limited to the right to bring claims in any forum against Defendants based on the Funds' rights under these statutes.

7. LIEN AND BOND CLAIMS. By entering into this Settlement Agreement, the Funds retain all of their rights under the Mechanics Lien Act, 770 ILCS 60/1 *et seq.*, and the Public Construction Bond Act, 30 ILCS 550/1 *et seq.*, including, without limitation:

- a. The right to file new mechanics liens and bond claims.
- b. The right to file suit against any appropriate or necessary parties (including Defendants) to enforce any mechanics liens and bond claims filed by the Funds, including any such claims already filed or any such claims the Funds may file in the future.

8. EXECUTION IN COUNTERPARTS. This Settlement Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Facsimile, electronic (including Adobe), or any other copy of this Settlement Agreement, including signatures herein, shall be valid, binding and enforceable as if an original.

9. CHOICE OF LAW. This Settlement Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Illinois. The Parties agree that any lawsuit related to this Settlement Agreement will be brought in the court in Chicago, Illinois with jurisdiction over the lawsuit.

10. ENTIRE AGREEMENT; PRIORITY. This Settlement Agreement constitutes and represents the complete and entire agreement among the Parties concerning the Lawsuit or settlement of the Lawsuit and merges and supersedes any and all other prior agreements among the Parties. Each of the Parties agrees, acknowledges and expressly warrants that no promise, representation, inducement, or agreement of any kind, whether oral or written, made by or on behalf of any other of the Parties shall be, or has been, relied upon by it unless specifically contained herein.

11. MODIFICATION. This Settlement Agreement shall not be modified except by a written document signed by all of the Parties.

12. CONSTRUCTION OF AGREEMENT. The Parties acknowledge that they have each had the terms of this Settlement Agreement reviewed by legal counsel, that they each have reviewed and revised this Settlement Agreement or had the opportunity to do so. Therefore, the

Parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Settlement Agreement.

13. AUTHORITY AND ACKNOWLEDGMENT OF CONTENTS AND EFFECT. By affixing their signatures below, each person signing this Settlement Agreement personally warrants that he or she has been duly authorized and has full authority to:

- a. Execute this Settlement Agreement on behalf of the party on whose behalf he or she is signing; and
- b. Irrevocably bind such party and assigns to the terms hereof.

IN WITNESS WHEREOF, the Parties have so agreed on the dates stated below.

FOX VALLEY & VICINITY LABORERS' HEALTH & WELFARE FUND:

By:  Dated: 6/19/17
Trustee

By:  Dated: 6/19/17
Trustee

FOX VALLEY & VICINITY LABORERS' PENSION FUND:

By:  Dated: 6/19/17
Trustee

By:  Dated: 6/19/17
Trustee

HUGH HENRY CONSTRUCTION, INC.

Tracey Biesterfeldt

Printed Name: TRACEY Biesterfeldt

Its: President

Dated: 6/18/17

TRACEY BIESTERFELDT, personally

Tracey Biesterfeldt

Dated: 6/18/17

MICHAEL GALLAGHER, personally

[Signature]

Dated: 6.18.17

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

**FOX VALLEY LABORERS' HEALTH AND)
WELFARE FUND, THE FOX VALLEY)
LABORERS' PENSION FUND, and PAT)
SHALES, Administrator of the Funds,)**

Plaintiffs,

v.

**HUGH HENRY CONSTRUCTION INC.,)
an Illinois corporation, TRACEY)
BIESTERFELDT, individually, and)
MICHAEL GALLAGHER, individually,)**

Defendants.

Case No. 1:16-cv-7203

Judge Shah

AMENDED COMPLAINT

Plaintiffs FOX VALLEY LABORERS' HEALTH AND WELFARE FUND ("Welfare Fund"), THE FOX VALLEY LABORERS' PENSION FUND ("Pension Fund") (collectively, "the Funds"), and PAT SHALES, administrator of the Funds, through their attorneys, Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, by way of their complaint against Defendants, HUGH HENRY CONSTRUCTION INC., an Illinois Corporation, TRACEY BIESTERFELDT, individually, and MICHAEL GALLAGHER, individually, state as follows:

The Parties, Jurisdiction, and Venue

1. The Funds are multiemployer benefit plans within the meaning of Sections 3(3) and 3(37) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), 29 U.S.C. § 1002(3) and (37A). The Funds maintain offices and conduct business within the district. The Funds are agents for the purpose of collecting employer contributions and deductions required to be paid on behalf of the Safety Fund, the Apprenticeship Fund, the

CISCO Fund, the IAF Fund, the Laborers' District Council Labor Management Cooperation Committee ("LMCC"), the Laborers-Employers Cooperation and Education Trust ("LECET"), and the Construction and General Laborers' District Council of Chicago and Vicinity's Work Dues Fund ("Dues Fund"), (collectively, the "Affiliated Organizations").

2. Defendant HUGH HENRY CONTSTRUCTION INC. ("Defendant Company") is an Illinois corporation that does business within this District and is an employer within the meaning of ERISA Section 3(5), 29 U.S.C. § 1002(5), and Section 101 of the Labor Management Relations Act ("LMRA"), 29 U.S.C. § 152(2).

3. Defendant TRACEY BIESTERFELDT, individually, is the owner of Defendant Company and resides in this district.

4. Defendant MICHAEL GALLAGHER, individually, is a principal of Defendant Company and resides in this district.

5. Jurisdiction and venue are vested in this Court under ERISA Sections 502(e)(1) and (2), 29 U.S.C. § 1132(e)(1) and (2), and LMRA Sections 301(a) and (c), 29 U.S.C. § 185 (a) and (c).

6. The Construction and General Laborers' District Council of Chicago and Vicinity ("District Council") is a labor organization within the meaning of the LMRA Section 101, 29 U.S.C. § 152(5), that maintains its principal offices in this district.

COUNT I
FAILURE TO PAY EMPLOYEE BENEFIT CONTRIBUTIONS,
FAILURE TO REMIT EMPLOYEE WAGE DEDUCTIONS, AND FAILURE TO PAY
INDUSTRY FUND CONTRIBUTIONS FOR THE MONTHS OF NOVEMBER 2013
THROUGH OCTOBER 2015
(HUGH HENRY CONSTRUCTION INC.)

7. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 6 above, as if fully stated herein.

8. The District Council and Defendant Company have, at all relevant times, been parties to successive collective bargaining agreements (“Agreement”). The Agreement obligates Defendant Company to make monthly contributions to the Funds on behalf of its employees covered by the Agreement for health, welfare, and pension benefits, in proportion to the number of hours worked by those employees.

9. The Agreement further requires Defendant Company to make contributions to the Affiliated Organizations on behalf of its employees covered by the Agreement in proportion to the number of hours worked by those employees, and to provide reports stating the amount of contributions it owes.

10. The Agreement further requires Defendant Company to deduct union dues from the wages earned by its employees covered by the Agreement and to remit those dues to the District Council for the Dues Fund, and to provide reports stating the amount of union dues it must deduct and remit.

11. The Affiliated Organizations have a common interest with the Funds in that they all work for the benefit of their mutual members and participants. The Affiliated Organizations have authorized the Funds to collect amounts owed by Defendant Company to them.

12. Pursuant to the Agreement, Employers who fail to report and/or remit contributions to the Pension, Welfare, Safety, Apprenticeship, CISCO and IAF Funds are liable to pay interest on the delinquent contributions, an additional 10% in liquidated damages, which increases to 20% once a lawsuit is filed, and all costs of collection, including reasonable audit expenses, attorneys’ fees, and court costs.

13. Pursuant to the Agreement, Employers who fail to report and/or remit contributions to the LMCC, LECET, and Dues Funds are liable to pay an additional 10% in

liquidated damages, and all costs of collection, including reasonable audit expenses, attorneys' fees, and court costs.

14. Notwithstanding its obligations under the Agreement, the Defendant Company failed to report and pay certain contributions for the period of November 1, 2013 through October 31, 2015 ("First Audit Period"), as revealed through a payroll audit conducted by the Funds ("First Audit Report"), thereby depriving the Funds and the Affiliated Organizations of contributions, income and information needed to administer the Funds, and jeopardizing the welfare and pension benefits of participants and beneficiaries.

15. As demonstrated by the First Audit Report, the audit additionally revealed that the Company owes \$91.33 in previously accumulated but unpaid late fees to the District Council.

16. Based on the audit findings in Exhibit A, the Defendant Company owes principal contributions, plus Welfare, Pension, Safety, Apprenticeship, CISCO, and IAF liquidated damages at 20%, LMCC, LECET, and Dues Funds liquidated damages at 10%, interest, and audit fees, as demonstrated in the following chart:

Audit of Hugh Henry for 11/1/13 - 10/31/15 (First Audit Period)	Amount
Welfare	\$ 10,831.29
Pension	\$ 8,461.13
Safety	\$ 8.08
Apprenticeship	\$ 404.88
CISCO	\$ 8.08
IAF	\$ 64.78
LDCLMCC	\$ 2,361.43
LECET	\$ 1,212.91
Dues	\$ 23,924.86
Sub-Total	\$ 47,277.44
20% Liquidated Damages	\$ 3,941.08
10% Liquidated Damages	\$ 2,757.21
Interest	\$ 11,614.43
Audit Invoice of 1/21/16	\$ 3,503.15
Audit Invoice of 6/9/16	\$ 2,379.28
Total for First Audit Period	\$ 71,472.58

17. Despite demand duly made, Defendant Company has not remitted the contributions and other amounts that are due and owing for the First Audit Period.

18. Defendant Company's failure to submit contributions to the Funds and Affiliated Organizations violates ERISA § 515, 29 U.S.C. § 1145, and LMRA § 301, 29 U.S.C. § 185.

19. Under ERISA Section 502(g)(2), 29 U.S.C. § 1132(g)(2), the terms of the Agreement, and the Funds' Trust Agreements, Defendant Company is liable to the Pension, Welfare, Safety, Apprenticeship, CISCO, and IAF Funds for unpaid contributions, interest,

liquidated damages in the amount of 20%, audit fees, and reasonable attorneys' fees and court costs.

20. Under the terms of the Agreement, Defendant Company is liable to the LMCC, LECET, and Dues Funds for unpaid contributions, liquidated damages in the amount of 10%, audit fees, and reasonable attorneys' fees and court costs.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request a judgment against Hugh Henry Construction Inc., as follows:

1. Finding that Hugh Henry Construction Inc. violated the Agreement;
2. Finding that Hugh Henry Construction Inc. is liable to the Funds and the Affiliated Organizations in the amount of \$71,472.58 as revealed in the Audit Report covering the period of November 1, 2013 through October 31, 2015, including interest, and liquidated damages, and is also liable to the Funds and Affiliated Organizations for audit fees, attorneys' fees, and court costs;
3. Ordering Hugh Henry Construction Inc. to pay to the Funds all delinquent contributions to date, interest, and liquidated damages;
4. Ordering Hugh Henry Construction Inc. to pay to the Funds all reasonable audit fees and attorneys' fees and costs incurred prior to and through the filing of this suit;
5. Entering judgment against Hugh Henry Construction Inc. in the amount of \$71,472.58, plus costs and attorneys' fees incurred in connection with the Funds efforts to recover this money; and
6. Granting all such other legal and equitable relief as the Court deems just and proper.

COUNT II
VIOLATION OF THE ILLINOIS WAGE PAYMENT AND COLLECTION ACT BY
DEDUCTING AND FAILING TO REMIT WAGES FOR THE MONTHS OF
NOVEMBER 2013 THROUGH OCTOBER 2015
(HUGH HENRY CONSTRUCTION INC., TRACEY BIESTERFELDT, individually, and
MICHAEL GALLAGHER, individually)

21. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 20 of Count I as if fully stated herein.

22. The District Council is a labor organization within the meaning of the LMRA Section 101, 29 U.S.C. § 152(5), that maintains its principal offices in this district.

23. Plaintiffs maintain offices and conduct business within this district and are authorized to collect work dues on behalf of the District Council.

24. At all times relevant to this lawsuit, Defendant Company was incorporated and registered to do business within the State of Illinois.

25. This Court has supplemental jurisdiction over Count II, which alleges a state law claim, pursuant to 28 U.S.C. § 1367.

26. Venue is properly vested in the District Court for Count II, pursuant to 28 U.S.C. § 1391(b).

27. During the Audit Period, the Defendant Company's employees performed work for the Defendant Company and earned wages.

28. On information and belief, in accordance with the Agreement, each of the Defendant Company's employees executed written assignments authorizing and directing the Defendant Company to withhold moneys from their wages for remittance to the District Council in satisfaction of union dues and fee obligations.

29. On information and belief, since at least November 1, 2013, the Defendant Company made payroll deductions from its employees' wages for union dues and/or other union fee obligations.

30. The Defendant Company has failed to timely remit those amounts previously deducted from its employees' wages to the District Council.

31. As the Defendant Company did not remit the required sums when due, the Defendant Company is liable for the amount of the wage deductions plus an additional 10% of those amounts.

32. The Defendant Company's conduct violates the Illinois Wage Payment and Collection Act, 820 ILCS 115/1, *et seq.*

33. At all times relevant to this lawsuit, Biesterfeldt and Gallagher acted directly in the interest of the Defendant Company in relation to its employees.

34. On information and belief, at all relevant times, Biesterfeldt and Gallagher controlled the terms and conditions of employment of Defendant Company's employees and exercised control over the payment of wages and the withholding of moneys from employees' wages.

35. On information and belief, at all relevant times, Biesterfeldt and Gallagher controlled all disbursements made by the Defendant Company, including the issuance of payroll checks and dues remittance checks.

36. On information and belief, at all relevant times, Biesterfeldt and Gallagher knowingly permitted Defendant Company to retain the wages withheld from each employee's paycheck rather than tendering such funds to the District Council.

37. Biesterfeldt and Gallagher personally and actively conducted or participated in the actions of the Defendant Company alleged above causing injury to the District Council.

Biesterfeldt and Gallagher, therefore, are each an employer under the Illinois Wage Payment and Collection Act, 820 ILCS 115/13, and are personally liable for their failure to properly deduct moneys from employees' wages and remit those moneys to the District Council for payment of union dues.

38. From November 1, 2013 through May 31, 2015, dues were owed at the rate of 3.25%. Since June 1, 2015, dues are owed at the rate of 3.75%. Based on the First Audit Report Defendant Company, Biesterfeldt, and Gallagher are liable for \$23,924.86 in unremitted wages withheld for dues for the First Audit Period, none of which has been paid.

39. The District Council has authorized the Funds to serve as collection agents on its behalf for purpose of collecting the amounts due to the District Council as alleged in this Complaint.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request this Court enter judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, and Michael Gallagher, individually, as follows:

1. Finding that Hugh Henry Construction Inc., Tracey Biesterfeldt, and Michael Gallagher, personally and individually, violated the Illinois Wage Payment and Collection Act;
2. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, and Michael Gallagher, individually, jointly and severally, to pay the Funds all moneys that they failed to properly withhold and remit to the District Council;
3. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, and Michael Gallagher, individually, jointly and severally, to pay the costs and attorneys' fees in connection with its efforts to recover the money it was deprived, including reasonable attorneys' fees and costs pursuant to the Attorneys Fees in Wage Actions Act, 705 ILCS 225/1;

4. Entering judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, and Michael Gallagher, individually, jointly and severally, in the amount of \$23,924.86, plus attorneys' fees and costs incurred in connection with the Funds' efforts to recover this money; and
5. Granting all other such legal and equitable relief as the Court deems just and proper.

COUNT III
CONVERSION CLAIM FOR DUES CONVERTED DURING THE MONTHS OF
NOVEMBER 2013 THROUGH OCTOBER 2015
(HUGH HENRY CONSTRUCTION INC., TRACEY BIESTERFELDT, individually, and
MICHAEL GALLAGHER, individually)

40. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 39 of Counts I and II as if fully stated herein.

41. Pursuant to the wage assignments executed by the Defendant Company's employees, the District Council has a right to all wages deducted from employees' wages for remittance to the District Council as union dues and fees.

42. After the Defendant Company deducted and withheld money from its employees' wages assigned by the employees to the District Council for payment of union dues and fees, the District Council had an absolute right to immediate possession of those moneys.

43. After the Defendant Company withheld wages from its employees' wages assigned by the employees to the District Council for payment of union dues and fees, Defendant Company was without right or authorization to possess those moneys.

44. Upon information and belief, from November 1, 2013 through October 31, 2015, the Defendant Company deducted and withheld money from employees' wages for union dues and fees, but the Defendant Company did not remit that money to the District Council in a timely

manner, and the Defendant Company appropriated that money for its own use and benefit, and thereby permanently deprived the District Council of its property.

45. The Funds have made demand for possession of the monies as collection agents for the District Council, but the Defendant Company has not turned over the amounts deducted from the employees' wages.

46. Through the acts and conduct alleged above, the Defendant Company wrongfully converted the District Council's property and may justly be required to pay the District Council the full value of that property.

47. On information and belief, Biesterfeldt and Gallagher, each individually, personally withheld moneys from the wages of the employees or personally caused another to withhold those moneys.

48. After the withholding of the employees' wages assigned to the District Council as union dues and fees, the District Council had an absolute right to immediate possession of those moneys.

49. Biesterfeldt and Gallagher, each individually, knowingly failed to remit to the District Council moneys withheld from the employees' wages, or personally caused another to fail to remit those moneys to the District Council following the withholding of those moneys.

50. Biesterfeldt and Gallagher, each individually, were each without right or authorization to possess those moneys.

51. Biesterfeldt and Gallagher, each individually, appropriated for their own use and benefit the moneys withheld from the employees' wages. The Funds have made demand for possession of the monies, but the Defendants have not turned over the amounts deducted from employees' wages.

52. Through the acts and conduct alleged above, Biesterfeldt and Gallagher, each individually, wrongfully converted the District Council's property and may justly be required to pay the District Council the full value of that property.

53. From November 1, 2013 through May 31, 2015, dues were owed at the rate of 3.25%. Since June 1, 2015, dues are owed at the rate of 3.75%. Based on the First Audit Report, Defendant Company, Biesterfeldt, and Gallagher are liable for \$23,924.86 in unremitted wages withheld for dues for those months, none of which has been paid.

54. The District Council has authorized the Funds to serve as collection agents on its behalf for purposes of collecting the amounts due to the District Council as alleged in this Complaint.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, as follows:

1. Finding that Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, wrongfully converted the District Council's property;
2. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, to pay the Funds all moneys that they failed to properly withhold and remit to the District Council, including interest;
3. Ordering Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, to pay the Funds' costs in connection with their efforts to recover the money it was deprived, including reasonable attorneys' fees and costs;
4. Entering judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, in the amount of \$23,924.86, plus interests and attorneys' fees and costs incurred in connection with the Funds' efforts to recover this money; and

5. Granting all other such legal and equitable relief as the Court deems just and proper.

COUNT IV
RESERVED

COUNT V
RESERVED

COUNT VI
RESERVED

COUNT VII
FAILURE TO PAY EMPLOYEE BENEFIT FUND CONTRIBUTIONS, FAILURE TO
REMIT EMPLOYEE WAGE DEDUCTIONS, AND FAILURE TO PAY INDUSTRY
FUND CONTRIBUTIONS FOR NOVEMBER 2015 THROUGH DECEMBER 2016
(HUGH HENRY CONSTRUCTION INC.)

55. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 54 of Counts I through VI, as if fully stated herein.

56. Notwithstanding its obligations under the Agreement, the Defendant Company failed to correctly report and pay contributions for the period of November 2015 through December 2016 owed to the Funds and the Affiliated Organizations, thereby depriving the Funds and the Affiliated Organizations of contributions, income, and information needed to administer the Funds, and jeopardizing the welfare and pension benefits of participants and beneficiaries.

57. Notwithstanding its obligations under the Agreement, the Defendant Company failed to remit dues owed to the District Council for the period of November 2015 through December 2016. Defendant Company has also accumulated late fees owed to the District

Council and Affiliated Organizations for prior delinquent months. Employers who fail to remit dues on a timely basis are liable to pay an additional 10% on dues owed for delinquent months.

58. All conditions precedent to requiring payment of contributions and submission of reports to the Funds have been met.

59. The failure of Defendant Company to properly report and make all required contributions and dues violates ERISA Section 515, 29 U.S.C. § 1145, and/or LMRA Section 300, 29 U.S.C. § 185.

60. Under ERISA Section 502(g)(2), 29 U.S.C. § 1132(g)(2), the terms of the Agreement, and the Funds' and Affiliated Organizations' governing trust documents, the Defendant Company is liable to the Pension, Welfare, Safety, Apprenticeship, CISCO, and IAF Funds for unpaid contributions, interest, liquidated damages in the amount of 20%, and reasonable attorneys' fees and court costs, and is liable to the LMCC, LECET, and Dues Funds for dues, contributions, and liquidated damages of 10%.

61. The Defendant Company is also obligated by the terms of the Agreement to pay the attorneys' fees and costs incurred by the Funds for its efforts to collect these amounts from the Defendant Company.

62. Notwithstanding its obligations under the Agreement, the Defendant Company failed to report and pay certain contributions for the period of November 1, 2015 through December 31, 2016 ("Second Audit Period"), as revealed through a payroll audit conducted by the Funds ("Second Audit Report," attached as Exhibit B), thereby depriving the Funds and the Affiliated Organizations of contributions, income and information needed to administer the Funds, and jeopardizing the welfare and pension benefits of participants and beneficiaries.

63. Based on the audit findings the Second Audit Report, the Defendant Company owes principal contributions, as stated in the reports, plus Welfare, Pension, Safety, Apprenticeship, CISCO, and IAF liquidated damages at 20%, LMCC, LECET, and Dues Funds liquidated damages at 10%, interest, and audit fees, less credits for partial payments from third-party Sandz LLC on behalf of the Defendant Company, as demonstrated in the following chart:

Audit of Hugh Henry for 11/1/15 - 12/31/16 (Second Audit Period)	Amount
Welfare	\$ 102,020.84
Pension	\$ 91,762.91
Safety	\$ 75.50
Apprenticeship	\$ 3,776.63
CISCO	\$ 75.50
IAF	\$ 604.26
LDCLMCC	\$ 3,109.72
LECET	\$ 1,280.48
Dues	\$ 28,812.04
Sub-Total	\$ 231,517.88
20% Liquidated Damages	\$ 39,527.18
10% Liquidated Damages	\$ 3,388.20
Interest	\$ 17,513.82
Audit Invoice of 8/23/16	\$ 387.50
Audit Invoice of 10/17/16	\$ 525.00
Audit Invoice of 11/21/16	\$ 882.50
Audit Invoice of 3/10/17	\$ 2,147.50
Audit Invoice of 3/20/17	\$ 1,597.50
Sandz LLC Check No. 935	\$ (15,885.87)
Sandz LLC Check No. 936	\$ (1,088.54)
Sandz LLC Check No. 954	\$ (233.66)
Sandz LLC Check No. 955	\$ (3,478.53)
Total for Second Audit Period	\$ 276,800.48

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request a judgment against Hugh Henry Construction Inc., as follows:

1. Finding that Hugh Henry Construction Inc. violated the Agreement;
2. Finding that Hugh Henry Construction Inc. is liable to the Funds and the Affiliated Organizations for delinquent contributions for the months of November 2015 through December 2016, plus interest, liquidated damages, audit fees, and court costs, and entering judgment in the amount of \$276,800.48 for that time period;
3. Ordering Hugh Henry Construction Inc. to pay to the Funds all reasonable attorneys' fees and costs incurred prior to and through the filing of this suit, and after the filing of this suit; and
4. Granting all such other legal and equitable relief as the Court deems just and proper.

COUNT VIII
VIOLATION OF THE ILLINOIS WAGE PAYMENT AND COLLECTION ACT
BY DEDUCTING AND FAILING TO REMIT WAGES FOR
NOVEMBER 2015 THROUGH DECEMBER 2016
(HUGH HENRY CONSTRUCTION INC., TRACEY BIESTERFELDT, individually, and
MICHAEL GALLAGHER, individually)

64. Plaintiffs re-allege and incorporated by reference paragraphs 1 through 63 of Counts I through VII, as if fully stated herein.

65. This Court has supplemental jurisdiction over Count VIII, which alleges a state law claim, pursuant to 28 U.S.C. § 1367.

66. Venue is properly vested in the District Court for Count VIII, pursuant to 28 U.S.C. § 1391(b).

67. During the period of at least November 2015 through December 2016, the Defendant Company's employees performed work for the Defendant Company and earned wages.

68. On information and belief, in accordance with the Agreement, each of the Defendant Company's employees executed written assignments authorizing and directing the Defendant Company to withhold moneys from their wages for remittance to the District Council in satisfaction of union dues and fee obligations.

69. On information and belief, since at least November 2015, the Defendant Company made payroll deductions from its employees' wages for union dues and/or other union fee obligations.

70. The Defendant Company has failed to timely remit those amounts previously deducted from its employees' wages to the District Council.

71. The District Council has demanded payment of the moneys believed to have been deducted from the employees' wages and withheld by the Defendant Company; however, the proper payments have not been received.

72. The Defendant Company's conduct violates the Illinois Wage Payment and Collection Act, 820 ILCS 115/1, *et seq.*

73. At all relevant times, Biesterfeldt and Gallagher acted directly in the interest of the Defendant Company in relation to its employees.

74. On information and belief, at all relevant times, Biesterfeldt and Gallagher controlled the terms and conditions of employment of the Defendant Company's employees' paycheck rather than tendering such funds to the District Council.

75. Biesterfeldt and Gallagher personally and actively conducted or participated in the actions of the Defendant Company alleged above causing injury to the District Council.

Biesterfeldt and Gallagher, therefore, are each an employer under the Illinois Wage Payment and Collection Act, 820 ILCS 115/3, and is personally liable for her failure to properly deduct moneys from employees' wages and remit those moneys to District Council for payment of union dues.

76. The District Council has authorized the Funds to serve as collection agents on its behalf for purposes of collecting the amounts due to the District Council as alleged in this Complaint.

77. Since June 1, 2015, dues are owed at the rate of 3.75%. Based on the Second Audit Report, Defendant Company, Biesterfeldt, and Gallagher are liable for \$28,812.04 in unremitted wages withheld for dues for the Second Audit Period, none of which has been paid.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request this Court enter judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, as follows:

1. Finding that Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, violated the Illinois Wage Payment and Collection Act;
2. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, to pay the Funds all moneys that they failed to properly withhold and remit to the District Council for the months of November 1, 2015 through December 31, 2016;
3. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, to pay the costs and attorneys' fees in connection with its efforts to recover the money it was deprived, including reasonable attorneys' fees and costs pursuant to the Attorneys Fees in Wage Actions Act, 705 ILCS 225/1; and

4. Entering judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, in the amount of \$28,812.04; and
5. Granting all other such legal and equitable relief as the Court deems just and proper.

COUNT IX
CONVERSION CLAIM FOR DUES CONVERTED FOR THE PERIOD OF
NOVEMBER 2015 THROUGH DECEMBER 2016
(HUGH HENRY CONSTRUCTION INC., TRACEY BIESTERFELDT, individually, and
MICHAEL GALLAGHER, individually)

78. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 77 of Counts I through VIII, as if fully stated herein.

79. Pursuant to the wage assignments executed by the Defendant Company's employees, the District Council has a right to all wages deducted from employees' wages for remittance to the District Council as union dues and fees.

80. After the Defendant Company deducted and withheld money from its employees' wages assigned by the employees to the District Council for payment of union dues and fees, the District Council had an absolute right to immediate possession of those moneys.

81. After Defendant Company withheld wages from its employees' wages assigned by the employees to the District Council for payment of union dues and fees, Defendant Company was without right or authorization to possess those moneys.

82. Upon information and belief, from November 2015 through December 2016, the Defendant Company deducted and withheld moneys from employees' wages for union dues and fees, but the Defendant Company did not remit that money to the District Council in a timely

manner, and the Defendant Company appropriated that money for its own use and benefit, thereby permanently depriving the District Council of its property.

83. Plaintiffs made demand for possession of the monies as collection agents for the District Council, but the Defendant Company has not turned over the amounts deducted from the employees' wages.

84. Through the acts and conduct alleged above, the Defendant Company wrongfully converted the District Council's property and may justly be required to pay to the District Council the full value of that property.

85. On information and belief, Biesterfeldt and Gallagher, each individually, personally withheld moneys from the wages of the employees or personally caused another to withhold those moneys.

86. After the withholding of the employees' wages assigned to the District Council as union dues and fees, the District Council had an absolute right to immediate possession of those moneys.

87. Biesterfeldt and Gallagher, each individually, knowingly failed to remit to the District Council moneys withheld from the employees' wages, or personally caused another to fail to remit those moneys to the District Council following the withholding of those moneys.

88. Biesterfeldt and Gallagher, each individually, were each without right or authorization to possess those moneys.

89. Biesterfeldt and Gallagher, each individually, appropriated for their own use and benefit the moneys withheld from the employees' wages. The Funds have made demand for possession of the monies, but the Defendants have not turned over the amounts deducted from employees' wages.

90. Through the acts and conduct alleged above, Biesterfeldt and Gallagher, each individually, wrongfully converted the District Council's property and may justly be required to pay the District Council the full value of that property.

91. The District Council has authorized the Funds to serve as collection agents on its behalf for purposes of collecting the amounts due to the District Council as alleged in this Complaint.

92. Since June 1, 2015, dues are owed at the rate of 3.75%. Based on the Second Audit Report, Defendant Company, Biesterfeldt, and Gallagher are liable for \$28,812.04 in unremitted wages withheld for dues for the Second Audit Period, none of which has been paid.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, as follows:

1. Finding that Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, wrongfully converted the District Council's property;
2. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, to pay the Funds all moneys that they failed to properly withhold and remit to the District Council, including interest;
3. Ordering Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, to pay the Funds' costs in connection with their efforts to recover the money it was deprived, including reasonable attorneys' fees and costs;
4. Entering judgment against Hugh Henry Construction Inc., Tracey Biesterfeldt, individually, and Michael Gallagher, individually, jointly and severally, in the amount of \$28,812.04, plus interests and attorneys' fees and costs incurred in connection with the Funds' efforts to recover this money; and

5. Granting all other such legal and equitable relief as the Court deems just and proper.

COUNT X
VEIL PIERCING LIABILITY CLAIM AGAINST TRACEY BIESTERFELDT

93. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 92 of Counts I through IX, as if fully stated herein.

94. The Court has supplemental jurisdiction over Count X, pursuant to 28 U.S.C. § 1367.

95. Venue is properly vested in the District Court for Count X, pursuant to 29 U.S.C. § 1391(b).

96. At all relevant times, Biesterfeldt has been the President of Defendant Company.

97. At all relevant times, Biesterfeldt has been the sole or majority shareholder of Defendant Company.

98. During the relevant time period, the Defendant Company and Biesterfeldt have transferred large sums of money among themselves which, on information and belief, were not supported by any written agreement and were not based on any arm's-length transaction, specifically:

- (a) Biesterfeldt has issued loans to Defendant Company without any interest or a payment plan.
- (b) Biesterfeldt has paid employees' wages from her personal bank account.

99. The Funds, as creditors of Defendant Company, may initiate an action to pierce the corporate veil of Defendant Company to enforce their claims against Biesterfeldt, as sole proprietor of Defendant Company.

100. Upon information and belief, the Defendant Company has had difficulty maintaining liquidity in its operations.

101. Unless the court pierces the corporate veil of Defendant Company and holds Biesterfeldt liable for the Plaintiffs' claims against Defendant Company, the Plaintiffs may not receive satisfaction for their claim against Defendant Company.

102. Unless the court pierces the corporate veil of Defendant Company and holds Biesterfeldt liable for the Plaintiffs' claims against Defendant Company, the Defendants will have perpetuated a fraud and an injustice by using the Defendant Company's corporate status to avoid liability for the Plaintiffs' claims, even though Defendant Company was merely the alter ego or business conduit of Biesterfeldt.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs respectfully ask this Court to enter judgment against Tracey Biesterfeldt, individually and doing business as Hugh Henry Construction Inc. in the amount of the judgment entered under Counts I through IX against Hugh Henry Construction, Inc.

COUNT XI **VEIL PIERCING LIABILITY CLAIM AGAINST MICHAEL GALLAGHER**

103. Plaintiffs re-allege and incorporate by reference paragraphs 1 through 102 of Counts I through IX, as if fully stated herein.

104. Defendant MICHAEL GALLAGHER, individually, resides in this district.

105. The Court has supplemental jurisdiction over Count XI, pursuant to 28 U.S.C. § 1367.

106. Venue is properly vested in the District Court for Count XI, pursuant to 29 U.S.C. § 1391(b).

107. At all relevant times, Gallagher has acted as a principal of Defendant Company.

108. During the relevant time period, the Defendant Company and Gallagher have commingled assets without support from any written agreement and without any arm's-length transaction.

109. The Funds, as creditors of Defendant Company, may initiate an action to pierce the corporate veil of Defendant Company to enforce their claims against Gallagher, as de facto principal for Defendant Company.

110. The Defendant Company has had difficulty maintaining liquidity in its operations.

111. Unless the court pierces the corporate veil of Defendant Company and holds Gallagher liable for the Plaintiffs' claims against Defendant Company, the Plaintiffs may not receive satisfaction for their claim against Defendant Company.

112. Unless the court pierces the corporate veil of Defendant Company and holds Gallagher liable for the Plaintiffs' claims against Defendant Company, the Defendants will have perpetuated a fraud and an injustice by using the Defendant Company's corporate status to avoid liability for the Plaintiffs' claims, even though Defendant Company was merely the alter ego or business conduit of Gallagher.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs respectfully ask this Court to enter judgment against Michael Gallagher, individually and doing business as Hugh Henry Construction Inc. in the amount of the judgment entered under Counts I through IX against Hugh Henry Construction, Inc.

Respectfully submitted,

/s/ Josiah A. Groff
Josiah A. Groff
One of Plaintiffs' Attorneys

J. Peter Dowd (#0667552)
Josiah A. Groff (#6289628)
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AUERBACH & YOKICH
8 South Michigan Avenue, 19th Floor
Chicago, Illinois 60603
(312) 372-1361

Calibre CPA Group, PLLC**Summary Report**

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-1015-01635**

Manager: **Lela Betar**
 Auditor: **Sarah Paganini**
 Audit Period: **11/1/2013 - 10/31/2015**

Contract: **8001 - Building Contractor**

Fund	Year Begins	Amount
Welfare Fund	01/2013	\$515.56
	01/2014	\$33,794.00
	01/2015	\$19,828.09
	Total	\$54,137.65
Pension Fund	01/2013	\$394.72
	01/2014	\$26,356.09
	01/2015	\$16,104.00
	Total	\$42,854.81
Safety Fund	01/2013	\$0.40
	01/2014	\$25.23
	01/2015	\$14.73
	Total	\$40.36
Training/Apprentice Fund	01/2013	\$19.88
	01/2014	\$1,262.00
	01/2015	\$738.71
	Total	\$2,020.59
CISCO	01/2013	\$0.40
	01/2014	\$25.23
	01/2015	\$14.73
	Total	\$40.36
IAF	01/2013	\$3.18
	01/2014	\$201.92
	01/2015	\$118.20
	Total	\$323.30
LDCLMCC	01/2013	\$4.77
	01/2014	\$1,043.82
	01/2015	\$1,622.96
	Total	\$2,671.55

Exhibit A

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Received by Fox Valley Laborers 01/22/2016

Calibre CPA Group, PLLC**Summary Report**

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-1015-01635**

Manager: **Leta Betar**
 Auditor: **Sarah Paganini**
 Audit Period: **11/1/2013 - 10/31/2015**

LECET	01/2013	\$2.78
	01/2014	\$608.90
	01/2015	\$779.77
	Total	\$1,391.45
Dues	01/2013	\$47.82
	01/2014	\$11,315.99
	01/2015	\$15,732.45
	Total	\$27,096.26
Total	01/2013	\$989.51
	01/2014	\$74,633.18
	01/2015	\$54,953.64
	Total	\$130,576.33

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor

Findings Source: Hours Worked (Funds)

	01/2013	02/2013	03/2013	04/2013	05/2013	06/2013	07/2013	08/2013	09/2013	10/2013	11/2013	12/2013	Total
Employee Findings													
GARCIA, ANGEL											39.75		39.75
Total											39.75		39.75

Fund Contributions Summary

Welfare Fund											515.56		515.56
Pension Fund											394.72		394.72
Safety Fund											0.40		0.40
Training/Apprentice Fund											19.88		19.88
CISCO											0.40		0.40
IAF											3.18		3.18
Total											934.14		934.14

Fund Contribution Rates

Welfare Fund	12.5200	12.5200	12.5200	12.5200	12.5200	12.9700	12.9700	12.9700	12.9700	12.9700	12.9700	12.9700
Pension Fund	9.2800	9.2800	9.2800	9.2800	9.2800	9.9300	9.9300	9.9300	9.9300	9.9300	9.9300	9.9300
Safety Fund	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Training/Apprentice Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
CISCO	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
IAF	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total	22.4000	22.4000	22.4000	22.4000	22.4000	23.5000	23.5000	23.5000	23.5000	23.5000	23.5000	23.5000

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor

Findings Source: Hours Worked (Dues)

	01/2013	02/2013	03/2013	04/2013	05/2013	06/2013	07/2013	08/2013	09/2013	10/2013	11/2013	12/2013	Total
Employee Findings													
GARCIA, ANGEL											39.75		39.75
Total											39.75		39.75
Fund Contributions Summary													
LDCLMCC											4.77		4.77
LECET											2.78		2.78
Total											7.55		7.55
Fund Contribution Rates													
LDCLMCC	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	
LECET	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	
Total	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8061 - Building Contractor

Findings Source: Wages Paid

	01/2013	02/2013	03/2013	04/2013	05/2013	06/2013	07/2013	08/2013	09/2013	10/2013	11/2013	12/2013	Total
Employee Findings													
GARCIA, ANGEL											1471.35		1471.35
Total											1471.35		1471.35

Fund Contributions Summary

Dues											47.82		47.82
Total											47.82		47.82

Fund Contribution Rates

Dues	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	
Total	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8081 - Building Contractor

Findings Source: Hours Worked (Funds)

	01/2014	02/2014	03/2014	04/2014	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	Total
Employee Findings													
CHAVAS, JAMES								44.75	22.00				66.75
DUFFY JR, JAMES				34.00			25.25	96.25	30.00				185.50
GARCIA, ANGEL	5.00		40.00	27.00			58.00	168.75	109.00	93.75	40.00		541.50
GUADAGNO, NICOLETT							47.75				31.25		79.00
JOHNSON, LENNART						118.50	53.00	213.25	139.75	70.75		3.60	598.75
LAWSON, MICHELLE							63.75						63.75
LOPEZ, JUAN											44.50	32.25	76.75
LOPEZ, ROMAN				27.00	40.50	102.00	58.00	87.00	189.00	131.00	33.00		667.50
REYES, RICARDO								10.50	92.25	119.50			222.25
ZAVALA, EDUARDO									22.25				22.25
Total	5.00		40.00	88.00	40.50	220.50	305.75	620.50	604.25	415.00	148.75	35.75	2524.00

Fund Contributions Summary

Welfare Fund	64.85		518.80	1141.36	525.28	2959.11	4103.16	8327.11	8109.04	5569.29	1996.23	479.77	33794.00
Pension Fund	49.65		397.20	873.84	402.16	2310.84	3204.26	6502.84	6332.54	4349.20	1558.50	374.66	26356.99
Safety Fund	0.05		0.40	0.88	0.40	2.20	3.06	6.20	6.04	4.16	1.48	0.36	25.23
Training/Apprentice Fund	2.50		20.00	44.00	20.25	110.25	152.85	310.25	302.12	207.51	74.37	17.87	1262.00
CISCO	0.05		0.40	0.88	0.40	2.20	3.06	6.20	6.04	4.16	1.48	0.36	25.23
IAF	0.40		3.20	7.04	3.24	17.64	24.46	49.64	48.34	33.20	11.90	2.86	201.92
Total	117.50		940.00	2068.00	951.73	5402.24	7490.88	15202.24	14804.12	10167.52	3644.36	875.88	61664.47

Fund Contribution Rates

Welfare Fund	12.9700	12.9700	12.9700	12.9700	12.9700	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	
Pension Fund	9.9300	9.9300	9.9300	9.9300	9.9300	10.4800	10.4800	10.4800	10.4800	10.4800	10.4800	10.4800	
Safety Fund	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	
Training/Apprentice Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	
CISCO	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	
IAF	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	
Total	23.5000	23.5000	23.5000	23.5000	23.5000	24.5000	24.5000	24.5000	24.5000	24.5000	24.5000	24.5000	

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor

Findings Source: Hours Worked (Dues)

	01/2014	02/2014	03/2014	04/2014	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	Total
Employee Findings													
ANDERSON, TROY									7.50				7.50
CASTENEDA, HUGO									89.50	175.50	148.50		413.50
CHAVAS, JAMES							74.75	22.00					96.75
COSTELLO, DAN									7.50				7.50
DUFFY JR, JAMES				154.00			110.25	148.75	56.00				469.00
GARCIA, ANGEL	5.00		40.00	187.00	136.00	154.00	227.00	274.75	251.50	265.25	197.00	114.50	1852.00
GUADAGNO, NICOLETT							117.75			58.00	69.75	142.50	388.00
JOHNSON, LENNART				113.50	138.50	270.50	225.00	329.25	296.25	245.75	162.50	168.00	1950.25
LAWSON, MICHELLE							152.75						152.75
LOPEZ, JUAN										72.00	203.50	184.75	460.25
LOPEZ, ROMAN				179.00	229.00	260.50	225.50	189.00	335.00	246.50	162.50	40.00	1847.00
REYES, RICARDO									242.75	318.50	192.50	179.00	932.75
THOMAS, CHARLES										28.00	41.00		69.00
ZAVALA, EDUARDO								30.00	22.25				52.25
Total	5.00		40.00	633.50	503.50	685.00	1058.25	1026.50	1225.75	1338.50	1204.25	978.25	8698.50
Fund Contributions Summary													
LDCLMCC	0.60		4.80	76.82	60.42	82.20	126.89	123.18	147.09	160.62	144.51	117.39	1043.82
LECET	0.35		2.80	44.34	35.25	47.96	74.07	71.85	85.80	93.69	84.30	68.49	608.90
Total	0.95		7.60	120.36	95.67	130.16	201.06	195.03	232.89	254.31	228.81	185.88	1652.72
Fund Contribution Rates													
LDCLMCC	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	
LECET	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	
Total	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1016-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor

Findings Source: Wages Paid

	01/2014	02/2014	03/2014	04/2014	05/2014	06/2014	07/2014	08/2014	09/2014	10/2014	11/2014	12/2014	Total
Employee Findings													
ANDERSON, TROY										286.50			286.50
CASTENEDA, HUGO										4011.00	7372.60	6112.00	17495.60
CHAVAS, JAMES								2961.10	836.00				3797.10
COSTELLO, DAN										286.50			286.50
DUFFY JR, JAMES				5728.80			4569.40	6388.80	2177.40				18864.40
GARCIA, ANGEL	186.00		1488.00	6951.00	5059.20	5882.80	9265.60	11728.95	9983.25	10956.55	8032.40	4773.75	74307.50
GUADAGNO, NICOLETT							4794.10			2253.80	2705.95	5453.05	15206.90
JOHNSON, LENNART				4305.90	5291.70	10309.40	9081.00	14091.35	11547.75	9820.80	6685.00	7181.60	78314.50
LAWSON, MICHELLE							6204.30						6204.30
LOPEZ, JUAN										2912.75	8108.80	7491.90	18513.45
LOPEZ, ROMAN				6653.40	8510.70	10084.80	9194.60	7059.15	12836.00	9719.95	6229.55	1528.00	71816.15
REYES, RICARDO									9475.25	13202.20	8193.90	7477.65	38349.00
THOMAS, CHARLES										1069.60	1586.20		2655.80
ZAVALA, EDUARDO								1260.60	845.50				2106.10
Total	186.00		1488.00	23639.10	16861.60	26277.00	43109.80	43489.85	47701.15	54519.65	46894.40	40017.95	348183.80

Fund Contributions Summary

Dues	6.04		48.36	768.28	613.00	854.01	1401.04	1413.43	1550.30	1771.89	1589.06	1360.58	11315.99
Total	6.04		48.36	768.28	613.00	854.01	1401.04	1413.43	1550.30	1771.89	1589.06	1360.58	11315.99

Fund Contribution Rates

Dues	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%
Total	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor

Findings Source: Hours Worked (Funds)

	01/2016	02/2016	03/2016	04/2016	05/2016	06/2016	07/2016	08/2016	09/2016	10/2016	11/2016	12/2016	Total
Employee Findings													
CASTENEDA, HUGO	0.50	24.25	67.25		46.00	110.25	27.25						275.50
GALLAGHER, ANDREW			41.00	4.50	14.00								59.50
GARCIA, ANGEL		25.00	72.00		96.75	137.25			1.00				332.00
JOHNSON, LENNART			9.50	1.00	50.50	115.75			1.00				177.75
LOPEZ, JUAN	25.25			4.00	54.50	108.25	1.00						193.00
LOPEZ, ROMAN				2.00	42.50	78.25	46.50						169.25
NORLOCK, ANTHONY							8.00						8.00
REYES, RICARDO	21.25	25.00	16.00	6.00	54.00	128.25		1.00	11.00				262.50
Total	47.00	74.25	205.75	17.50	358.25	678.00	82.75	1.00	13.00				1477.50

Fund Contributions Summary

Welfare Fund	630.75	996.44	2761.17	234.85	4807.71	9098.78	1110.51	13.42	174.48				19828.09
Pension Fund	492.56	778.14	2156.26	183.40	3754.46	7647.84	933.42	11.28	146.64				16104.00
Safety Fund	0.46	0.74	2.06	0.17	3.57	6.77	0.82	0.01	0.13				14.73
Training/Apprentice Fund	23.49	37.12	102.87	8.75	179.13	338.98	41.37	0.50	6.50				738.71
CISCO	0.46	0.74	2.06	0.17	3.57	6.77	0.82	0.01	0.13				14.73
IAF	3.76	5.94	16.46	1.40	28.66	54.24	6.62	0.08	1.04				118.20
Total	1151.40	1819.12	5040.98	428.74	8777.10	17153.38	2093.56	25.30	328.90				36818.46

Fund Contribution Rates

Welfare Fund	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200
Pension Fund	10.4800	10.4800	10.4800	10.4800	10.4800	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800
Safety Fund	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Training/Apprentice Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
CISCO	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
IAF	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total	24.5000	24.5000	24.5000	24.5000	24.5000	25.3000	25.3000	25.3000	25.3000	25.3000	25.3000	25.3000

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor

Findings Source: Hours Worked (Dues)

	01/2015	02/2015	03/2015	04/2015	05/2015	06/2015	07/2015	08/2015	09/2015	10/2015	11/2015	12/2015	Total
Employee Findings													
AMBROSE, ANTHONY						21.50							21.50
BROWN, VERDIS						8.00							8.00
CASTENEDA, HUGO	161.50	137.25	211.25	186.00	199.00	157.00	212.25	156.50	178.50	168.50			1767.75
CLARK, PATRICK				60.00									60.00
GALLAGHER, ANDREW			123.00	83.50	83.00								289.50
GARCIA, ANGEL	157.50	166.00	232.50	176.00	257.25	184.00	205.50	167.00	190.00	165.00			1900.75
GARCIA, MIGUEL										115.00			115.00
GUADAGNO, NICOLET	33.00												33.00
JOHNSON, LENNART	189.00	153.00	159.00	183.00	208.00	182.50	204.50	166.50	189.00	162.50			1777.00
LOPEZ, JUAN	162.75	117.00	140.50	180.50	196.50	155.00	164.00	162.50	184.50	161.00			1644.25
LOPEZ, ROMAN	67.50		89.00	169.00	189.00	124.50	223.00						862.00
NORLOCK, ANTHONY							38.50	101.00	92.50	164.00			396.00
REYES, CESAR									183.50	169.50			353.00
REYES, IGNACIO										83.50			83.50
REYES, RICARDO	169.75	186.00	147.00	181.00	218.50	175.00	209.50	156.00	203.90	162.00			1827.75
Total	981.00	759.25	1182.25	1219.00	1351.25	958.00	1286.75	909.50	1221.00	1351.00			11139.00
Fund Contributions Summary													
LDCLMCC	117.72	91.11	132.27	146.28	162.15	162.85	218.75	154.60	207.56	229.57			1622.96
LECET	68.65	53.16	77.17	85.33	94.60	67.07	90.07	63.68	85.48	94.57			779.77
Total	186.37	144.26	209.44	231.61	256.75	229.92	308.82	218.28	293.04	324.14			2402.73
Fund Contribution Rates													
LDCLMCC	0.1200	0.1200	0.1200	0.1200	0.1200	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	
LECET	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	
Total	0.1900	0.1900	0.1900	0.1900	0.1900	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	

Local: Fox Valley Laborers
 Contractor: Hugh Henry Construction
 Case: FVLAB-1015-01635

Calibre CPA Group, PLLC

Details Report

Contract: 8001 - Building Contractor		Findings Source: Wages Paid											
	01/2015	02/2015	03/2015	04/2015	05/2015	06/2015	07/2015	08/2015	09/2015	10/2015	11/2015	12/2015	Total
Employee Findings													
AMBROSE, ANTHONY							872.20						872.20
BROWN, VERDIS							470.40						470.40
CASTENEDA, HUGO	6255.25	5605.50	8190.20	7668.65	7897.85	6291.60	8633.80	6262.20	7046.20	6771.80			70523.05
CLARK, PATRICK				2483.00									2483.00
GALLAGHER, ANDREW			5004.20	3266.10	3285.20								11555.50
GARCIA, ANGEL	6361.65	7199.45	9624.40	7407.85	10055.15	7515.85	8532.45	5854.10	7718.40	6733.50			78002.80
GARCIA, MIGUEL										4566.80			4566.80
GUADAGNO, NICOLETT	1260.60												1260.60
JOHNSON, LENNART	7305.75	6153.65	6513.45	8157.60	8971.30	6746.50	8251.40	6673.80	7467.60	6419.00			72670.85
LOPEZ, JUAN	6995.20	4689.05	5548.55	7334.40	7802.35	6095.60	6595.40	6456.20	7379.40	6487.60			65385.75
LOPEZ, ROMAN	2674.00		3533.50	6665.90	7324.85	4968.60	9065.00						34231.85
NORLOCK, ANTHONY							1538.60	3959.20	3635.80	6526.80			15660.40
REYES, CESAR									7340.20	6830.60			14170.80
REYES, IGNACIO										3341.80			3341.80
REYES, RICARDO	7408.15	7396.25	5672.70	7372.60	8929.25	7310.80	6553.40	6193.60	8065.40	6389.60			73391.75
Total	38260.60	30943.90	44087.00	50356.10	54285.95	38928.95	52622.65	36401.10	48653.00	54067.50			448586.75
Fund Contributions Summary													
Dues	1243.46	1005.67	1432.83	1636.58	1763.65	1459.83	1973.36	1365.04	1824.49	2027.54			15732.45
Total	1243.46	1005.67	1432.83	1636.58	1763.65	1459.83	1973.36	1365.04	1824.49	2027.54			15732.45
Fund Contribution Rates													
Dues	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	
Total	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	

Calibre CPA Group, PLLC

Summary Report

Local: **Fox Valley Laborers**
Contractor: **Hugh Henry Construction**
Case: **FVLAB-0217-01764**

Manager: **Tim Kalnes**
Auditor: **Sarah Paganini**
Audit Period: **11/1/2015 - 12/31/2016**

Contract: **8001 - Building Contractor**

Fund	Year Begins	Amount
Welfare Fund	01/2015	\$456.28
	01/2016	\$101,564.56
	Total	\$102,020.84
Pension Fund	01/2015	\$383.52
	01/2016	\$91,379.39
	Total	\$91,762.91
Safety Fund	01/2015	\$0.34
	01/2016	\$75.16
	Total	\$75.50
Training/Apprentice Fund	01/2015	\$17.00
	01/2016	\$3,759.63
	Total	\$3,776.63
CISCO	01/2015	\$0.34
	01/2016	\$75.16
	Total	\$75.50
IAF	01/2015	\$2.72
	01/2016	\$601.54
	Total	\$604.26
LDCLMCC	01/2015	\$609.71
	01/2016	\$2,500.01
	Total	\$3,109.72
LECET	01/2015	\$251.05
	01/2016	\$1,029.43
	Total	\$1,280.48
Dues	01/2015	\$5,712.15
	01/2016	\$23,099.89
	Total	\$28,812.04

EXHIBIT B

Calibre CPA Group, PLLC

Summary Report

Local: **Fox Valley Laborers**
Contractor: **Hugh Henry Construction**
Case: **FVLAB-0217-01764**

Manager: **Tim Kalnes**
Auditor: **Sarah Paganini**
Audit Period: **11/1/2015 - 12/31/2016**

Total	01/2015	\$7,433.11
	01/2016	\$224,084.77
	Total	\$231,517.88

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Hours Worked (Funds)**

	01/2015	02/2015	03/2015	04/2015	05/2015	06/2015	07/2015	08/2015	09/2015	10/2015	11/2015	12/2015	Total
Employee Findings													
JOHNSON, LENNART											24.00		24.00
MC CLOSKY, PAUL												10.00	10.00
Total											24.00	10.00	34.00

Fund Contributions Summary

Welfare Fund											322.08	134.20	456.28
Pension Fund											270.72	112.80	383.52
Safety Fund											0.24	0.10	0.34
Training/Apprentice Fund											12.00	5.00	17.00
CISCO											0.24	0.10	0.34
IAF											1.92	0.80	2.72
Total											607.20	253.00	860.20

Fund Contribution Rates

Welfare Fund	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200	13.4200
Pension Fund	10.4800	10.4800	10.4800	10.4800	10.4800	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800	11.2800
Safety Fund	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Training/Apprentice Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
CISCO	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
IAF	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total	24.5000	24.5000	24.5000	24.5000	24.5000	25.3000	25.3000	25.3000	25.3000	25.3000	25.3000	25.3000

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Hours Worked (Dues)**

	01/2015	02/2015	03/2015	04/2015	05/2015	06/2015	07/2015	08/2015	09/2015	10/2015	11/2015	12/2015	Total
Employee Findings													
CASTENEDA, HUGO											113.50	178.50	292.00
DUFFY, JAMES JR											28.00	154.00	182.00
FRAZER, GEORGE JR												22.00	22.00
GALLAGHER, ANDREW												29.50	29.50
GARCIA, ANGEL											155.00	199.00	354.00
GARCIA, MIGUEL											153.50	192.00	345.50
JOHNSON, LENNART											146.00	200.00	346.00
LOPEZ, JUAN											155.00	212.00	367.00
MC CLOSKY, PAUL												76.00	76.00
NORLOCK, ANTHONY											142.00	174.00	316.00
REYES, CESAR											156.00	217.00	373.00
REYES, IGNACIO											155.00	112.00	267.00
REYES, RICARDO											154.00	226.00	380.00
STALLONE, MICHAEL												74.00	74.00
THOMAS, DEREK												162.50	162.50
Total											1358.00	2228.50	3586.50

Fund Contributions Summary

LDCLMCC											230.87	378.84	609.71
LECET											95.05	156.00	251.05
Total											325.92	534.84	860.76

Fund Contribution Rates

LDCLMCC	0.1200	0.1200	0.1200	0.1200	0.1200	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
LECET	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Total	0.1900	0.1900	0.1900	0.1900	0.1900	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Wages Paid**

	01/2015	02/2015	03/2015	04/2015	05/2015	06/2015	07/2015	08/2015	09/2015	10/2015	11/2015	12/2015	Total
Employee Findings													
CASTENEDA, HUGO											4625.60	8026.20	12651.80
DUFFY, JAMES JR											1215.20	6340.60	7555.80
FRAZER, GEORGE JR												1058.40	1058.40
GALLAGHER, ANDREW												1156.40	1156.40
GARCIA, ANGEL											6653.80	8847.70	15501.50
GARCIA, MIGUEL											6242.60	8006.60	14249.20
JOHNSON, LENNART											6203.40	9020.25	15223.65
LOPEZ, JUAN											6291.60	9261.00	15552.60
MC CLOSKY, PAUL												3214.40	3214.40
NORLOCK, ANTHONY											5703.60	7036.40	12740.00
REYES, CESAR											6350.40	9711.80	16062.20
REYES, IGNACIO											6291.60	5194.00	11485.60
REYES, RICARDO											6076.00	9976.40	16052.40
STALLONE, MICHAEL												2989.00	2989.00
THOMAS, DEREK												6830.60	6830.60
Total											55653.80	96669.75	152323.55

Fund Contributions Summary

Dues												2087.03	3625.12	5712.15
Total												2087.03	3625.12	5712.15

Fund Contribution Rates

Dues	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%
Total	3.2500%	3.2500%	3.2500%	3.2500%	3.2500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Hours Worked (Funds)**

	01/2016	02/2016	03/2016	04/2016	05/2016	06/2016	07/2016	08/2016	09/2016	10/2016	11/2016	12/2016	Total
Employee Findings													
BERGEL, JOHN						74.50	3.75	27.50					105.75
CASTA, GERARDO RIV					3.50	18.00	8.00	35.00	20.75	85.00			170.25
CASTENEDA, HUGO		29.50	1.75		76.50	101.00	136.50	204.00	98.50	40.50	80.00	56.00	824.25
DAMIAN, GILBERTO					24.50	69.50	0.75	16.50					111.25
DOMINGUEZ, JOSE			1.75										1.75
DORGAN, NICHOLAS		40.00											40.00
DUFFY, JAMES JR			0.50		19.00								19.50
GALLAGHER, ANDREW			6.00		65.00	93.50		36.00	46.00	85.00	63.50	4.00	399.00
GARCIA, ANGEL			7.75		8.50	41.50		160.50	33.25	145.00	192.00	40.50	629.00
GARCIA, MIGUEL			8.25		92.50	10.50		67.00					178.25
JOHNSON, LENNART			8.25		18.00	32.00		44.00	18.75	161.00	194.00	72.50	548.50
KLEKOWICZ, ANNA					84.00	57.50		32.00	42.00	24.50	4.00		244.00
LOPEZ, ERIC						132.00	43.00	46.50	93.25		29.50		344.25
LOPEZ, JUAN		34.50	9.00		29.50	77.50	131.50	198.00	85.25	68.50	96.00	56.00	785.75
LOPEZ, ROMAN		4.50	19.50			52.00		185.50	66.75	86.50	59.00		473.75
LOPEZ, ROMAN JR					9.50	60.00	10.50	35.50	85.25	22.00	29.50		252.25
MORA, CHRISTOPHER					40.50	52.50	5.75	23.00					121.75
MORA, DANIEL					44.50	42.50	15.75	28.00					130.75
NORLOCK, ANTHONY			7.50		1.00	18.00	18.25	118.00					162.75
RANGEL, ALFANSO					13.50	34.50	8.75	39.00	30.50	96.00	20.50		242.75
REYES, CESAR			7.50		20.00	15.00	45.50	203.00	63.25	125.50	40.00		519.75
REYES, IGNACIO			6.50		23.50								30.00
REYES, RICARDO	0.50		44.25		140.00	174.00	109.25	220.50	127.00	135.50	179.00	48.00	1178.00
STALLONE, MICHAEL			6.00										6.00
Total	0.50	108.50	134.50		713.50	1156.00	537.25	1719.50	810.50	1075.00	987.00	277.00	7519.25

Fund Contributions Summary

Welfare Fund	6.71	1456.07	1804.99		9575.17	15629.12	7263.62	23247.64	10957.96	14534.00	13344.24	3745.04	101564.56
Pension Fund	5.64	1223.88	1517.16		8048.28	14195.68	6597.43	21115.46	9952.94	13201.00	12120.36	3401.56	91379.39
Safety Fund		1.08	1.35		7.13	11.56	5.38	17.19	8.09	10.74	9.88	2.76	75.16
Training/Apprentice Fund	0.25	54.25	67.25		356.75	578.00	268.64	859.75	405.24	537.50	493.50	138.50	3759.63
CISCO		1.08	1.35		7.13	11.56	5.38	17.19	8.09	10.74	9.88	2.76	75.16
IAF	0.04	8.68	10.76		57.08	92.48	42.98	137.56	64.84	86.00	78.96	22.16	601.54
Total	12.64	2745.04	3402.86		18051.54	30518.40	14183.43	45394.79	21397.16	28379.98	26056.82	7312.78	197455.44

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Hours Worked (Funds)**

01/2016	02/2016	03/2016	04/2016	05/2016	06/2016	07/2016	08/2016	09/2016	10/2016	11/2016	12/2016	Total
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Fund Contribution Rates

Welfare Fund	13.4200	13.4200	13.4200	13.4200	13.4200	13.5200	13.5200	13.5200	13.5200	13.5200	13.5200	13.5200
Pension Fund	11.2800	11.2800	11.2800	11.2800	11.2800	12.2800	12.2800	12.2800	12.2800	12.2800	12.2800	12.2800
Safety Fund	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
Training/Apprentice Fund	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
CISCO	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
IAF	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total	25.3000	25.3000	25.3000	25.3000	25.3000	26.4000	26.4000	26.4000	26.4000	26.4000	26.4000	26.4000

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Hours Worked (Dues)**

	01/2016	02/2016	03/2016	04/2016	05/2016	06/2016	07/2016	08/2016	09/2016	10/2016	11/2016	12/2016	Total
Employee Findings													
BERGEL, JOHN						74.50	3.75	27.50					105.75
CASTA, GERARDO RIV					3.50	18.00	8.00	35.00		85.00			149.50
CASTENEDA, HUGO		117.50	187.50	167.50	76.50	101.00	136.50	204.00	97.50	40.50		56.00	1184.50
DAMIAN, GILBERTO				88.00	24.50	69.50	0.75	16.50					199.25
DOMINGUEZ, JOSE	40.00	165.00	188.00	51.00									444.00
DORGAN, NICHOLAS		24.00											24.00
DUFFY, JAMES JR	41.50	73.00	8.00		19.00								141.50
GALLAGHER, ANDREW	146.50	138.50	160.50	112.50	65.00	93.50		36.00	13.00	85.00	40.00	4.00	894.50
GARCIA, ANGEL	169.50	164.00	195.00	161.50	8.50	41.50		160.50		145.00		40.50	1086.00
GARCIA, MIGUEL	158.50	164.50	195.00	162.00	92.50	10.50		67.00					850.00
JOHNSON, LENNART	170.50	167.00	195.00	163.50	18.00	32.00		44.00		161.00	8.00	72.50	1031.50
KLEKOWICZ, ANNA				80.00	84.00	57.50		32.00	9.00	24.50	4.00		291.00
LOPEZ, ERIC						132.00	43.00	46.50	82.50		6.50		310.50
LOPEZ, JUAN	158.50	156.50	180.50	167.50	29.50	77.50	131.50	198.00	78.00	68.50	32.00	56.00	1334.00
LOPEZ, ROMAN	41.00	157.50	193.00	145.50		52.00		185.50	40.00	86.50	49.00		950.00
LOPEZ, ROMAN JR				94.50	9.50	60.00	10.50	35.50	78.00	22.00	6.50		316.50
MORA, CHRISTOPHER					40.50	52.50	5.75	23.00					121.75
MORA, DANIEL				96.00	44.50	42.50	15.75	28.00					226.75
NORLOCK, ANTHONY	109.00	122.00	151.50	109.50	1.00	18.00	18.25	118.00					647.25
RANGEL, ALFANSO				96.50	13.50	34.50	8.75	39.00		96.00	1.00		289.25
REYES, CESAR	165.50	172.00	183.00	56.00	20.00	15.00	45.50	203.00	35.00	125.50	1.00		1021.50
REYES, IGNACIO	125.50	172.00	181.50	157.00	23.50								659.50
REYES, RICARDO	176.00	183.50	187.00	174.00	140.00	174.00	109.25	220.50	123.50	135.50	105.50	48.00	1776.75
STALLONE, MICHAEL	110.50	113.75	160.50	36.00									420.75
THOMAS, DEREK	148.00	82.00											230.00
Total	1760.50	2172.75	2366.00	2118.50	713.50	1156.00	537.25	1719.50	556.50	1075.00	253.50	277.00	14706.00

Fund Contributions Summary

LDCLMCC	299.28	369.37	402.22	360.16	121.29	196.52	91.34	292.31	94.61	182.74	43.09	47.08	2500.01
LECET	123.24	152.09	165.62	148.28	49.95	80.92	37.60	120.37	38.95	75.26	17.75	19.40	1029.43
Total	422.52	521.46	567.84	508.44	171.24	277.44	128.94	412.68	133.56	258.00	60.84	66.48	3529.44

Fund Contribution Rates

LDCLMCC	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	
LECET	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	
Total	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	

Local: **Fox Valley Laborers**
 Contractor: **Hugh Henry Construction**
 Case: **FVLAB-0217-01764**

Calibre CPA Group, PLLC

Details Report

Contract: **8001 - Building Contractor**

Findings Source: **Wages Paid**

	01/2016	02/2016	03/2016	04/2016	05/2016	06/2016	07/2016	08/2016	09/2016	10/2016	11/2016	12/2016	Total
Employee Findings													
BERGEL, JOHN						3467.25	286.43	1216.05					4969.73
CATA, GERARDO RIV					451.85	806.05	321.60	1457.25		3417.00			6453.75
CASTENEDA, HUGO		4753.00	7408.80	6791.40	3067.40	4393.90	5668.20	8994.75	3919.50	1638.15		2251.20	48886.30
DAMIAN, GILBERTO				3449.60	1127.00	2926.60	45.23	733.65					8282.08
DOMINGUEZ, JOSE	1724.80	6683.60	7428.40	2018.80									17855.60
DORGAN, NICHOLAS		940.80											940.80
DUFFY, JAMES JR	1675.80	2998.80	313.60		803.60								5791.80
GALLAGHER, ANDREW	5909.40	5654.60	6458.20	4419.80	2646.00	4141.15		1768.80	522.60	3417.00	1608.00	160.80	36706.35
GARCIA, ANGEL	7179.10	6962.80	8126.70	6684.70	865.90	2738.85	256.70	7113.20		6140.10		1719.65	47787.70
GARCIA, MIGUEL	6458.20	6654.20	7732.20	6389.60	3733.80	482.40		2874.30					34324.70
JOHNSON, LENNART	7416.65	7321.70	8313.40	6973.55	1447.70	2728.00	613.05	2541.00		6976.80	345.60	3142.80	47820.25
KLEKOWICZ, ANNA				3136.00	3371.20	2534.65	70.35	1497.45	381.90	994.95	160.80		12147.30
LOPEZ, ERIC						5427.00	2090.40	2391.90	3326.55		261.30		13497.15
LOPEZ, JUAN	6340.60	6232.80	7154.00	6791.40	1244.60	3388.90	5437.05	8632.95	3135.60	2763.75	1286.40	2251.20	54659.25
LOPEZ, ROMAN	1783.60	6468.00	7653.80	5791.80	127.40	2203.00		8291.25	1708.50	3547.65	2090.40		39665.40
LOPEZ, ROMAN JR				3753.40	519.40	2524.60	592.95	1718.55	3145.65	924.60	261.30		13440.45
MORA, CHRISTOPHER					1705.20	2283.40	346.73	1045.20					5380.53
MORA, DANIEL				3763.20	1862.00	2022.10	788.93	1246.20					9682.43
NORLOCK, ANTHONY	4292.40	4782.40	5968.20	4312.00	58.80	793.95	819.08	4904.40					25931.23
RANGEL, ALFANSO				3792.60	774.20	1640.20	366.83	1728.60		3859.20	40.20		12201.83
REYES, CESAR	6713.00	6987.40	7281.40	2195.20	940.80	874.35	1999.95	8934.45	1417.05	5055.15	40.20		42438.95
REYES, IGNACIO	5145.00	6987.40	7193.20	6213.20	1009.40								26548.20
REYES, RICARDO	7281.40	7732.20	7585.20	7095.20	5723.20	7760.65	4612.95	10009.80	4984.80	5477.25	4271.25	1929.60	74463.50
STALLONE, MICHAEL	4537.40	4650.10	6409.20	1411.20									17007.90
THOMAS, DEREK	5860.40	3253.60											9114.00
Total	72317.75	89063.40	95026.30	84982.65	31479.45	53137.00	24316.40	77099.75	22542.15	44211.60	10365.45	11455.25	615997.15

Fund Contributions Summary

Dues	2711.89	3339.89	3563.47	3186.85	1180.46	1992.63	911.89	2891.25	845.33	1657.94	388.71	429.58	23099.89
Total	2711.89	3339.89	3563.47	3186.85	1180.46	1992.63	911.89	2891.25	845.33	1657.94	388.71	429.58	23099.89

Fund Contribution Rates

Dues	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%
Total	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%	3.7500%

**THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

FOX VALLEY LABORERS' HEALTH AND)	
WELFARE FUND, THE FOX VALLEY)	
LABORERS' PENSION FUND, and PAT)	
SHALES, Administrator of the Funds,)	
)	Case No. 1:16-cv-7203
Plaintiffs,)	
)	
v.)	
)	Judge Shah
HUGH HENRY CONSTRUCTION INC.,)	
an Illinois corporation, TRACEY)	
BIESTERFELDT, individually, and)	
MICHAEL GALLAGHER, individually,)	
)	
Defendants.)	

AGREED ORDER OF DISMISSAL WITH LEAVE TO REINSTATE

This matter coming before the Court on the Plaintiff's motion for entry of this Agreed Order of Dismissal with Leave to Reinstate, the Court being fully advised in the premises, the Court hereby FINDS, ORDERS, and ADJUDGES as follows:

1. This case is dismissed without prejudice and with leave to reinstate through August 31, 2020.

EXHIBIT 2

2. The Court shall retain jurisdiction through August 31, 2020 for purposes of considering a motion to reinstate, should any party choose to file such a motion. If no such motion is filed by August 31, 2020, the case shall be deemed dismissed with prejudice.

SO ORDERED:

Honorable Judge Manish S. Shah

Date: _____

For Plaintiffs:

For Defendants:

J. Peter Dowd (#0667552)
Josiah A. Groff (#6289628)
Elizabeth L. Rowe (#6316967)
DOWD, BLOCH, BENNETT, CERVONE,
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(312) 372-1361
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Scott A. Gore
Michael A. Kuczwara Jr.
Peter Gillespie
LANER MUCHIN, LTD.
515 N. State Street, Suite 2800
Chicago, IL 60654
(312) 467-9800
(312) 467-9479 (fax)

COMMERCIAL SECURITY AGREEMENT

1 PARTIES

1 Hugh Henry Construction, Inc.
 c/o Tracey Biesterfeldt, President
 5905 W. Lawrence
 Chicago, IL 60630
 (Referred to herein as “Company-Debtor”)

Tracey Biesterfeldt and Michael Gallagher
4917 W. Balmoral
Chicago, IL 60630
(Referred to herein as “Individual-Debtors”)

(Company-Debtor and Individual Debtors collectively referred to herein as “Debtors”)

2 Fox Valley & Vicinity Laborers Health and Welfare and Pension Funds
 2371 Bowes Rd.
 Suite 500
 Elgin, IL 60123
 (Referred to herein as “Secured Party”)

2 CREATION OF SECURITY INTEREST

Subject to the terms of this security agreement (“Agreement”), Debtors grant to Secured Party a security interest in the Collateral to secure the payment of the Obligation.

3 OBLIGATION

The obligation secured by this Agreement (“Obligation”) is:

- 1 Debtor’s obligations under the terms of the Settlement Agreement (“Note”) entered into on June __, 2017 by the Debtors and the Secured Party in the principal amount of \$419,221.93;
- 2 All existing and future liabilities, of any kind, nature, or description, of Debtors to Secured Party arising out of any loan, labor contract, agreement, assignment, endorsement, guarantee, security agreement, federal law, or other transaction, regardless of any other collateral or security delivered or held in connection therewith;

- 3 All costs incurred by Secured Party to obtain, preserve, or enforce this security interest, collect the Obligation, or maintain or preserve the Collateral, including (but not limited to) taxes, assessments, insurance premiums, repairs, reasonable attorney's fees and legal expenses, rent, storage costs, and expenses of sale; and
- 4 Interest and liquidated damages on the above amounts at the maximum rate permitted by law.

This is a continuing security agreement and will continue in effect even though all or any part of the Obligation is paid in full and even though for a period of time Debtors may not be indebted to Secured Party.

4 COLLATERAL

The property to which the security interest attaches under this Agreement ("Collateral") is:

- 1 All equipment, as that term is defined in the Illinois Uniform Commercial Code, now owned or hereafter acquired by Debtors;
- 2 All accounts, as that term is defined in the Illinois Uniform Commercial Code, now or hereafter in existence of Debtors;
- 3 All substitutes and replacements for, accessions, attachments, and other additions to, and tools, parts, accessories and supplies used in connection with, any property described in this Collateral section, now owned or hereafter acquired by Debtors;
- 4 All products and produce of any property described in this Collateral section;
- 5 All proceeds (including insurance proceeds) from the sale, destruction, loss or other disposition of any property described in this Collateral section;
- 6 All records and data (including, but not limited to, ledger sheets, files, documents, photographs, microfilm, microfiche, and electronic media) evidencing an interest in or relating to any property described in this Collateral section, together with all of Debtor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media; and

5 AGREEMENTS AND WARRANTIES OF DEBTORS

- 1 **Title.** Debtors represent and warrant to Secured Party that the Company-Debtor or Individual-Debtor or both Debtors hold good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement (and the same will be true of Collateral acquired hereafter when acquired), and that none of the Collateral is affixed to real estate or an accession to other goods, nor will Collateral acquired hereafter be affixed to real estate or an accession to other goods when acquired, unless Debtors have furnished Secured Party the consents or disclaimers necessary to make this security interest valid against persons holding interest in the real estate or other goods. No financing statement covering any of the Collateral is on file in any public office other than those that reflect the security interest created by this Agreement or to which Secured Party has specifically consented. Debtors shall defend Secured Party's rights in the Collateral against the claims and demands of all other persons.
- 2 **Enforceability of Collateral.** To the extent the Collateral consists of accounts, chattel paper, or general intangibles, the Collateral is enforceable in accordance with its terms, is genuine, and complies with applicable laws concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Secured Party, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor for goods sold or services performed by Debtors, and there shall be no setoffs or counterclaims against any such account, and no agreement under which any deductions or discounts may be claimed shall have been made with the account debtor except those disclosed to Secured Party in writing.
- 3 **Perfection of Security Interest.** Debtors agree to execute such financing statements and to take whatever other actions are requested by Secured Party to perfect and continue Secured Party's security interest in the Collateral. Upon request of the Secured Party, Debtors will deliver to Secured Party any and all of the documents evidencing or constituting the Collateral, and Debtors will note Secured Party's interest upon any and all chattel paper if not delivered to Secured Party for possession by Secured Party. Debtors hereby appoint Secured Party as its irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect or continue the security interest granted in this Agreement. Secured Party may at any time, and without further authorization from Debtors, file a carbon, photographic or other reproduction of any financing statement or of the Agreement for use as a financing statement. Debtors will reimburse Secured Party for all expenses for the perfection and the continuation of the perfection of Secured Party's security interest in the collateral.

- 4 **Collateral Schedules.** Debtors, as often as Secured Party may require, shall deliver to Secured Party, in form satisfactory to Secured Party a schedule of real properties and Collateral locations relating to Debtors' operations (including all subsidiaries and related companies), including without limitation the following: (a) all real property owned or being purchased by Debtors; (b) all real property being rented or leased by Debtors; (c) all storage facilities owned, rented, leased, or being used by Debtors; and (d) all other properties where Collateral is or may be located. Such schedule shall contain such information as Secured Party may require in order to identify the nature, extent, and location of Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral). To the extent the Collateral consists of accounts, the schedule shall contain such information as Secured Party may require to identify the nature and age of accounts and the names of account debtors.
- 5 **Removal of Collateral.** Debtors shall keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts, the records concerning the Collateral) at Debtors' address shown above, or at such other locations as are acceptable to Secured Party. Except in the ordinary course of its business, including the sale of inventory, Debtors shall not remove the Collateral from its existing locations without the prior written consent of Secured Party. To the extent that the Collateral consists of vehicles or other titled property, Debtors shall not take or permit any action which would require application for certificates of title for the vehicle outside the State of Illinois, without the prior written consent of Secured Party.
- 6 **Transactions Involving Collateral.** Except for inventory sold in the ordinary course of Debtors' business, Debtors shall not sell, lease, manufacture, process, assemble, furnish under contracts of service, or otherwise transfer or dispose of the Collateral. While Debtors are not in Default under this Agreement, Debtors may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Debtors' business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Debtors shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Secured Party, even if junior in right to the security interest granted under this Agreement. Debtors shall not allow the Collateral to become an accession to other goods or to become affixed to real estate. Unless waived by Secured Party, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Secured Party and shall not be commingled with any other funds; however, this requirement shall not constitute consent by Secured Party to any sale or other disposition. Upon receipt, Debtors shall immediately deliver any such proceeds to Secured Party.

- 7 **Maintenance and Inspection of Collateral.** Debtors shall maintain all tangible Collateral in good condition and repair. Debtors will not cause or permit damage to or destruction of the Collateral or any part of the Collateral. Secured Party and its designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Debtors shall immediately notify Secured Party of all occurrences affecting the Collateral or the value or amount of the Collateral, including, but not limited to, any loss of or damage to tangible Collateral, any request for credit or adjustment to any account, or any dispute arising with respect to any Collateral.
- 8 **Maintenance of Casualty Insurance.** Debtors shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Secured Party may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Secured Party and issued by a company or companies reasonably acceptable to Secured Party. Debtors, upon request of Secured Party, will deliver to Secured Party from time to time the policies or certificates of insurance in form satisfactory to Secured Party, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Secured Party and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Secured Party will not be impaired in any way by any act, omission or default of Debtors or any other person. In connection with all policies covering assets in which Secured Party holds or is offered a security interest, Debtors will provided Secured Party with such loss payable or other endorsements as Secured Party may require. If Debtors at any time fails to obtain or maintain any insurance as required under the Agreement, Secured Party may (but shall not be obligated to) obtain at Debtors' expense such insurance as Secured Party deems appropriate, including if it so chooses "single interest insurance," which will cover only Secured Party's interest in the Collateral.
- 9 **Application of Insurance Proceeds.** Debtors shall promptly notify Secured Party of any loss or damage to the Collateral. Secured Party may make proof of loss if Debtors fail to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Secured Party, to be distributed as follows: If Secured Party consents to repair or replacement of the damaged or destroyed Collateral, Secured Party shall, upon satisfactory proof of expenditure, pay or reimburse Debtors from the proceeds for the reasonable cost of repair or replacement. Any remaining proceeds shall be first applied toward the Obligation, with any balance distributed to Debtors. If Secured Party does not consent to repair or replacement of the Collateral, Secured Party shall retain a sufficient amount of the proceeds to pay the Obligation, and shall pay the balance to Debtors.

- 10 **Insurance Reports.** Debtors, upon request of Secured Party, shall furnish to Secured Party reports on each existing policy of insurance showing such information as Secured Party may reasonably request, including the following: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured; (e) the then-current value on the basis of which insurance has been obtained and manner of determining that value; and (f) the expiration date of the policy. In addition, Debtors shall upon request by Secured Party have an independent appraiser satisfactory to Secured Party determine, as applicable, the cash value or replacement cost of the Collateral.
- 11 **Taxes, Assessments and Liens.** Debtors will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, this Agreement, and any promissory note or notes evidencing the Obligation and related documents executed in connection with the Obligation. Debtors may in good faith commence an appropriate proceeding to contest such tax, assessment, or lien, and may withhold payment during any such proceedings, including appropriate appeals, so long as, in Secured Party's sole opinion, Secured Party's interest in the Collateral is not jeopardized by such action. If the Collateral is subject to a lien which is not discharged within fifteen (15) days, Debtors shall deposit with Secured Party cash, a sufficient corporate surety bond or other security satisfactory to Secured Party in any amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Debtors shall defend itself and Secured Party, and shall satisfy any final adverse judgment before enforcement against the Collateral. Debtors shall name Secured Party as an additional obligee under any surety bond furnished in the contest proceedings.
- 12 **Compliance with Governmental Regulations.** Debtors shall comply with all laws, ordinances, rules, and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral. Debtors may in good faith commence an appropriate proceeding to contest such law, ordinance, rule, or regulation, and may withhold compliance during any such proceedings, including appropriate appeals, so long as, in Secured Party's sole opinion, Secured Party's interest in the Collateral is not jeopardized by such action.
- 13 **Indemnification.** Debtors assume liability for, and agrees to indemnify and hold Secured Party harmless from and against, and covenants to defend Secured Party against, all claims, causes of action, liabilities, and damages of any kind arising out of or related to the use, maintenance, possession, or management of the Collateral. This agreement to indemnify shall survive the payment of the Obligation and the satisfaction of this Agreement.
- 14 **Hazardous Substances.** Debtors represent and warrants that the Collateral never

has been, and never will be so long as this Agreement remains a lien on the Collateral, used for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No., 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products, or any fractions thereof, and asbestos. The representations and warranties contained herein are based on Debtors' due diligence in investigating the Collateral for hazardous wastes and substances. Debtors hereby (a) release and waive any future claims against Secured Party for indemnity or contribution in the event Debtors become liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Secured Party against any and all claims and losses resulting from a breach of this provision of the Agreement. This agreement to indemnify shall survive the payment of the Obligation and the satisfaction of this Agreement.

- 15 **Change of Name or Address.** Debtors shall not change its name, or the location of its principal place of business, executive office, or the place where it keeps its business records without thirty (30) days prior written notice to Secured Party.
- 16 **No Violation.** Debtors are duly formed, organized, validly existing and in good standing in the state of its incorporation or organization, duly qualified and in good standing in every jurisdiction where the nature of its business requires it to be so qualified, and authorized by all requisite action of its stockholders and directors, general partners, or managers to execute, deliver and perform this Agreement.

6 POSSESSION OF COLLATERAL AND COLLECTION OF ACCOUNTS

Until Default, and except as otherwise provided below with respect to accounts, Debtors may have possession and beneficial use of the Collateral, and may use it in any lawful manner not inconsistent with this Agreement, provided that Debtors' right to possession and beneficial use shall not apply to any Collateral of which possession by Secured Party is required by law to perfect Secured Party's security interest in such Collateral. Until otherwise notified by Secured Party, Debtors may collect any of the Collateral consisting of accounts. Without prior written consent of Secured Party, Debtors shall not grant any extension of the time of payment of any account, compromise any account for less than its full amount, release in whole or in part any

person liable for the payment of all or part of any account, or allow any credit upon an account except for the amount of cash paid thereon. Upon notice to Debtors, Secured Party may at any time prior to Default collect accounts and notify account debtors to make payments directly to Secured Party for application to the Obligation.

7 EXPENDITURES BY SECURED PARTY

Secured Party may (but shall not be obligated to) take any action that Debtors are required to take under this Agreement or that is otherwise necessary to obtain, preserve, and enforce this security interest or maintain and preserve the Collateral, without notice to Debtors, and add costs of same, including interest at the maximum rate provided by law from the date incurred to the date of repayment, to the Obligation.

8 REINSTATEMENT OF SECURITY INTEREST

If payment is made on the Obligation by Debtors, whether voluntarily or otherwise, or by any third party, and thereafter Secured Party remits any amount of that payment (a) by reason of any federal or state bankruptcy law or law for the relief of debtors to Debtors' trustee in bankruptcy or to any similar person, (b) by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Secured Party or any of Secured Party's property, or (c) by reason of any settlement or compromise by Secured Party of any claim made by any claimant (including without limitation Debtors), such amount shall be considered not to have been paid for purposes of enforcement of this Agreement, and this Agreement shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Agreement or of any note or other instrument or agreement evidencing the Obligation, and the Collateral will continue to secure the amount repaid or recovered to the same extent as if that amount had never been received by Secured Party, and Debtors shall be bound by any judgment, decree, order, settlement or compromise relating to the Obligation or to this Agreement.

9 DEFAULT

Each of the following constitutes an event of default under this Agreement ("Default"):

- 1 **Default on Obligation.** Debtor's failure to make any payment when due under the terms of the Note, including contributions owed to the Secured Party for the month of March 2017 or any subsequent months through the termination of this Agreement;
- 2 **Non-Compliance with Agreements.** Debtors' failure to comply with or to perform any term, obligation, covenant or condition contained in the Note, this Agreement, the Labor Agreement between the Debtor-Company and the Laborers District Council, or any other agreement between Secured Party and Debtors;

- 3 **Default to Third Parties.** Debtor's default under any loan, extension of credit, security agreement, promissory note, purchase or sales agreement, or any other agreement with any other person, that may materially affect any of Debtors' property or ability to repay the Obligation or perform its duties under this Agreement;
- 4 **False Statements.** Debtors' making any false or misleading warranty, representation, or statement to Secured Party relating to this Agreement;
- 5 **Dissolution or Merger.** The dissolution or termination of Company-Debtor's existence as a going business, or the merger or consolidation of Debtors with another entity;
- 6 **Insolvency.** The insolvency of Company-Debtor, the appointment of a receiver for any part of Company-Debtor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Company-Debtor and/or Individual-Debtor.
- 7 **Collateral Loss or Damage.** Loss, theft, substantial damage, destruction, sale, reduction in value, encumbrance of (other than pursuant to this Agreement), damage to, or change in the Collateral;
- 8 **Judicial or Other Proceedings.** Commencement of collections, foreclosure, or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Debtors or any governmental agency against the Collateral. Commencement of such proceedings shall not constitute an event of default if there is a good faith dispute by Debtors as to the validity or reasonableness of the claim which is the basis of the proceeding and if Debtors give Secured Party written notice of the proceeding and deposits with Secured Party monies or a surety bond for the proceeding, in an amount determined by Secured Party, in its sole discretion, as being an adequate reserve or bond for the dispute;
- 9 **Events Affecting Guarantor.** The occurrence of any of the preceding events with respect to any Guarantor of any part of the Obligation, or the death or incompetence of such Guarantor. Secured Party, at its option, may but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Secured Party and, in doing so, cure the Default;
- 10 **Adverse Change.** The occurrence of a material adverse change in Debtors' financial condition, or the belief of Secured Party that the prospect of payment or performance of the Obligation is impaired;

11 **Insecurity.** Secured Party, in good faith, deems itself insecure.

If any Default, other than Debtors' failure to make payment when due under the Note, is curable and if Debtors have not been given prior notice of the Default, it may be cured (and no Default will have occurred), if Debtors, after Secured Party sends written notice demanding cure of such Default, (a) cures the default within five days, or (b) if the cure requires more than five days, immediately initiates steps that Secured Party deems in its sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

10 **RIGHTS AND REMEDIES ON DEFAULT**

If Default occurs under this Agreement, at any time thereafter Secured Party shall have all the rights of a secured party under the Illinois Uniform Commercial Code. In addition, and without limitation, Secured Party may exercise any one or more of the following rights and remedies:

- 1 **Accelerate Obligation.** Secured Party may declare the entire Obligation, including any prepayment penalty that Debtors would be required to pay, immediately due and payable, without notice.
- 2 **Assemble Collateral.** Secured Party may require Debtors to deliver to Secured Party all or any portion of the Collateral and any and all certificates of title and other documents related to the Collateral. Secured Party may require Debtors to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party. Secured Party also shall have full power to enter upon the property of Debtors to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Debtors agree that Secured Party may take such other goods, provided the Secured Party makes reasonable efforts to return them to Debtors after repossession.
- 3 **Sell the Collateral.** Secured Party shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in its own name or that of Debtors. Secured Party may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtors reasonable notice of the time after which any private sale or any other intended disposition of the Collateral is to be made. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral,

including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Obligation secured by this Agreement and shall be payable on demand, with interest at the maximum rate provided by law from the date incurred to the date of repayment.

- 4 **Appoint Receiver.** To the extent permitted by applicable law, Secured Party may have a receiver appointed. The receiver may be an employee of Secured Party and may serve without bond, and all fees of the receiver and his or her attorneys shall become part of the Obligation and shall be payable on demand, with interest at the maximum rate provided by law from the date incurred to the date of repayment.
- 5 **Collect Revenues, Apply Accounts.** Secured Party, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Secured Party may at any time in its discretion transfer any Collateral into its own name or that of its nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Obligation or apply it to payment of the Obligation in such order of preference as Secured Party may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Secured Party may demand, collect, receipt for, settle, compromise, adjust, sue to foreclose, or realize on the Collateral. For these purposes, Secured Party may, on behalf of and in the name of Debtors, receive, open and dispose of mail addressed to Debtors, change any address to which mail and payments are to be sent, and endorse notes, checks, drafts, money orders, documents of title instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Secured Party may notify account debtors and obligors on any Collateral to make payments directly to Secured Party.
- 6 **Obtain Deficiency.** If Secured Party chooses to sell any or all of the Collateral, Secured Party may obtain a judgment against Debtors for any deficiency remaining on the Obligation after application of all amounts received from the exercise of the rights provided in this Agreement.
- 7 **Other Rights and Remedies.** Secured Party shall have all the rights and remedies of a secured party under the provisions of the Illinois Uniform Commercial Code, as may be amended from time to time. In addition, Secured Party shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

All of Secured Party's rights and remedies, whether evidenced by this Agreement or any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Secured Party to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform any obligations of Debtors under this Agreement, after Debtors' failure to perform, shall not affect Secured Party's right to declare a

Default and to exercise its remedies.

11 MISCELLANEOUS PROVISIONS

- 1 **Amendments.** This Agreement, together with all documents executed in connection with the Obligation, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- 2 **Applicable Law.** This Agreement has been delivered to Secured Party and accepted by Secured Party in the State of Illinois. If there is a lawsuit, Debtors agree upon Secured Party's request to submit to the jurisdiction of the courts of the State of Illinois. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.
- 3 **Expenses.** Debtors assume and agree to indemnify, pay and hold harmless Secured Party and its trustees, employees and agents from all expenses, losses, costs, claims, actions, causes of action, damages of any kind, liabilities, expenses and attorneys fees and costs that Secured Party may incur or sustain in obtaining or enforcing payment or performance of the Obligation, in exercising its rights and remedies under this Agreement, or in connection with any action, proceeding, or appeal arising out of or related to this Agreement, the Obligation, or the Collateral, whether brought by Secured Party, Debtors or any third party.
- 4 **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not be used to interpret or define the provisions of this Agreement.
- 5 **Signatories for Debtors.** If more than one person executes this Agreement as a Debtor, their obligations under this Agreement shall be joint and several.
- 6 **Notices.** All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address show above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Debtor, notice to any Debtor will constitute notice to all Debtors. For notice purposes, Debtors will keep Secured Party informed at all times of Debtors' current address(es).

- 7 **Power of Attorney.** Debtors hereby appoint Secured Party as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (a) to demand, collect, receive, receipt for, sue and recover all sum of money or other property which may now or hereafter become due, owing or payable from the Collateral; (b) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (c) to settle or compromise any and all claims arising under the Collateral; and, if the place and stead of Debtors, to execute and deliver its release and settlement for the claim; and (d) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Debtors, or otherwise, which in the discretion of Secured Party may seem to be necessary or advisable. This power is given as security for the Obligation, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Secured Party.
- 8 **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstances, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- 9 **Successor Interests.** Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.
- 10 **Waiver.** Secured Party shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising any right shall operate as a waiver of such right or any other right. A waiver by Secured Party of a provision of this Agreement shall not prejudice or constitute a waiver of Secured Party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Secured Party, nor any course of dealing between Secured Party and Debtors, shall constitute a waiver of any of Secured Party's rights or of any of Debtors' obligations as to any future transactions. Whenever the consent of Secured Party is required under the Agreement, the granting of such consent by Secured Party in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all case such consent may be granted or withheld in the sole discretion of Secured Party.
11. This Commercial Security Agreement shall terminate upon the full payment of the outstanding principal balance with interest owed to the FOX VALLEY &

VICINITY LABORERS FUNDS as set forth above in paragraph 1 and as set forth in the Note which equals \$419,221.93 plus interest.

DEBTORS ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT, AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JUNE __, 2017.

Tracey Biesterfeldt
Hugh Henry

BY: Tracey Biesterfeldt
Tracey Biesterfeldt, as President of Hugh Henry

Tracey Biesterfeldt
Tracey Biesterfeldt, Individually

DATED: 6-18-17

[Signature]
Michael Gallagher, Individually

DATED: 6-18-17

**THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**FOX VALLEY LABORERS' HEALTH AND)
WELFARE FUND, THE FOX VALLEY)
LABORERS' PENSION FUND, and PAT)
SHALES, Administrator of the Funds,)**

Plaintiffs,

v.

**HUGH HENRY CONSTRUCTION INC.,)
an Illinois corporation, TRACEY)
BIESTERFELDT, individually, and)
MICHAEL GALLAGHER, individually,)**

Defendants.

Case No. 1:16-cv-7203

Judge Shah

AGREED JUDGMENT

This matter coming before the Court on Plaintiffs' Motion for Entry of an Agreed Judgment, and the Court having reviewed the motion along with the supporting materials, the Court hereby FINDS, ORDERS, and ADJUDGES as follows:

Judgment is entered in favor of the Plaintiffs and against Defendants Hugh Henry Construction, Inc., Tracey Biesterfeldt, and Michael Gallagher, jointly and severally, in the total amount of \$419,221.93 on all Counts of the Amended Complaint, representing contributions, plus Welfare, Pension, Safety, Apprenticeship, CISCO, and IAF liquidated damages at 20%,

LMCC, LECET, and Dues Funds liquidated damages at 10%, interest, audit fees, and attorneys' fees, for the period of November 1, 2013 through December 31, 2016.

SO ORDERED:

Honorable Judge Manish S. Shah

Date: _____

For Plaintiffs:

For Defendants:

J. Peter Dowd (#0667552)
Josiah A. Groff (#6289628)
Elizabeth L. Rowe (#6316967)
DOWD, BLOCH, BENNETT, CERVONE,
AUERBACH & YOKICH
8 South Michigan Avenue, 19th Floor
Chicago, Illinois 60603
(312) 372-1361
(312) 372-6599 (fax)

Scott A. Gore
Michael A. Kuczwara Jr.
Peter Gillespie
LANER MUCHIN, LTD.
515 N. State Street, Suite 2800
Chicago, IL 60654
(312) 467-9800
(312) 467-9479 (fax)

Monthly Working Dues Report
Construction & General Laborers' District Council of Chicago and Vicinity
 999 McCLINTOCK DRIVE SUITE 300 BURR RIDGE, ILLINOIS 60527 PHONE: 630-555-8765

CONTRACTOR

PAGE 1

CODE

PHONE

102070

HUGH HENRY CONSTRUCTION 773-807-9592

5905 W. LAWRENCE
CHICAGO, IL 60630

FEDERAL ID NO.

Send report and check to:
Laborers' Work Dues Fund
Department 4334
Carol Stream, IL 60122-4334

SOCIAL SECURITY NUMBER

MUST BE SHOWN

PERIOD:

February-17

DELINQUENT AFTER:

3/15/2017 10% PENALTY

SOCIAL SECURITY NUMBER	LOCAL NO.	NAME OF EMPLOYEE	GROSS WAGES	TOTAL HOURS	DUES WITHHELD
		Hugo Castenada	\$1,286.40	32	\$48.24
		Juan Lopez	\$1,286.40	32	\$48.24
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
TOTALS		TOTALS	\$2,572.80	64.00	\$96.48
LMCC					
LECET					
TOTAL (ABOVE)	\$0.24 X TOTAL HOURS	\$15.36			
WORK DUES	3.75% OF GROSS WAGE	\$96.48			
		CHECK AMOUNT	\$111.84		
		CHECK #			

EMPLOYERS WARRANTY AND ACCEPTANCE: By the submission of this report, Employer expressly warrants and affirms that this report accurately states all hours worked by all of Employer's laborer-employees. By submitting this report, the employer hereby accepts, adopts and agrees to be bound to the terms and conditions of the Independent Construction Industry Collective Bargaining Agreement with the Construction and General Laborers District Council of Chicago and Vicinity (the "Union") and any extension, renewal, modification or amendment of that Agreement.

Employer

By

Signed by an authorized officer, partner or agent only

MAKE AND RETAIN A
COPY FOR YOUR RECORDS

MONTHLY REPORTS OF PAYMENT TO
FOX VALLEY LABORERS FRING BENEFIT FUNDS
75 REMITTANCE DR
SUITE #1504
CHICAGO, IL 60675-1504
(847)742-0900

HUGH HENRY CONSTRUCTION
4917 W. Balmoral Ave 1B
CHICAGO, IL 60630

The undersigned employee, if not already a signor, hereby becomes a signatory party to the currently applicable rebates bargaining agreement with the District Council Local of the Union covering the type and area of work of the last employee and also to each agreement and Modification of Trust, and amendments, establishing the funds for which payment is made herewith.

8001 JOURNEY: MEN

- ☐ No work this month
- ☐ Final Report
- ☐ Send more forms
- ☐ Change of Address
- ☐ Change in name

PLEASE USE SEPARATE FORM FOR DIFFERENT RATES			CODE	REPORT MONTH
JOB LOCATION			LABORERS/BUILDING CONTRACT	Mar-17
SOCIAL SECURITY NUMBER	EMPLOYEE NAME	LOCAL NO	HOURS WORKED	GROSS WAGES
	Hugo Castenada	75	144	\$5,788.80
	Angel Garcia		113	\$4,726.40
	Lennart Johnson		144	\$6,220.80
	Erik Lopez		32	\$1,286.40
	Juan Lopez		136	\$5,467.20
	Roman Lopez Jr		32	\$1,286.40
	Cesar Reyes		88	\$3,537.60
	Ricardo Reyes		22.5	\$2,211.00
		TOTALS	740.5	\$30,524.60

PLEASE SUPPLY BUSINESS PHONE : (6) (312) 646-8820

WELF & PEN 25.00 X	740.5 (TOT HOURS WORKED)=	29104.9
APPR (AA) 0.5 X	740.5 (TOT HOURS WORKED)=	370.25
SAFETY (DA) .01 X	740.5 (TOT HOURS WORKED)=	7.405
IND (ID) 0.08 X	740.5 (TOT HOURS WORKED)=	59.24
CISCO (IC) 0.01 X	740.5 (TOT HOURS WORKED)=	7.405

NOTE: For historical and other purposes, values listed by the manufacturer as being

APPLY TO: UNIV. OF MASSACHUSETTS, 100 HOSPITAL AVE.

DISCUSSION

TOTAL AMOUNT	
DUE	\$19,549.20

BEFORE, TO ADD THE NAME AND CORRECT SOCIAL SECURITY NUMBER OF ALL
EMPLOYEE WHO WERE HIRED DURING THIS PERIOD

ARE DUE BY THE 15TH OF EACH MONTH. LATE
RTS ARE SUBJECT TO LIQUIDATE DAMAGES.

SIGNED:

EXHIBIT C

Monthly Working Dues Report
Construction & General Laborers' District Council of Chicago and Vicinity

899 McCLINTOCK DRIVE SUITE 300 BURR RIDGE, ILLINOIS 60527 PHONE: 630-655-8765

CONTRACTOR

PAGE 1

CODE

PHONE

102070

HUGH HENRY CONSTRUCTION 773-807-9592

5905 W. LAWRENCE

FEDERAL ID NO.

CHICAGO, IL 60630

Send report and check to:

Laborers' Work Dues Fund

Department 4334

Carol Stream, IL 60122-4334

SOCIAL SECURITY NUMBER

MUST BE SHOWN

PERIOD:

March-17

DELINQUENT AFTER:

4/15/2017 10% PENALTY

SOCIAL SECURITY NUMBER	LOCAL NO.	NAME OF EMPLOYEE	GROSS WAGES	TOTAL HOURS	DUES WITHHELD
		Hugo Castenada	\$5,788.80	144	\$217.08
		Angel Garcia	\$4,726.40	112	\$177.24
		Lennart Johnson	\$6,220.80	144	\$233.28
		Erik Lopez	\$1,286.40	32	\$48.24
		Juan Lopez	\$5,467.20	136	\$205.02
		Roman Lopez Jr.	\$1,286.40	32	\$48.24
		Cesar Reyes	\$3,537.60	88	\$132.66
		Ricardo Reyes	\$2,211.00	52.5	\$82.91
					\$0.00
TOTALS		TOTALS	\$30,524.60	740.50	\$1,144.67
LMCC					
LECET					
TOTAL (ABOVE)	\$0.24 X TOTAL HOURS	\$177.72			
WORK DUES	3.75% OF GROSS WAGE	\$1,144.67			
		CHECK AMOUNT	\$1,322.39		
		CHECK #			

EMPLOYERS WARRANTY AND ACCEPTANCE: By the submission of this report, Employer expressly warrants and affirms that this report accurately states all hours worked by all of Employer's laborers' employees. By submitting this report, the employer hereby accepts, adopts and agrees to be bound to the terms and conditions of the Independent Construction Industry Collective Bargaining Agreement with the Construction and General Laborers District Council of Chicago and Vicinity (the "Unfair") and any extension, renewal, modification or amendment of that Agreement.

Employer _____

By: _____

Signed by an authorized officer, partner or agent only

MAKE AND RETAIN A

COPY FOR YOUR RECORDS

MONTHLY REPORTS OF PAYMENT TO
FOX VALLEY LABORERS FRING BENEFIT FUNDS
75 REMITTANCE DR
SUITE #1504
CHICAGO, IL 60675-1504
(847)742-0300

The undersigned employee, if not already a signatory, hereby becomes a signatory party to the currently applicable contract bargaining agreement with the District Council local of the Union covering the type and area of work of the employee and also to each agreement and Declaration of Trust, and amendments, establishing the funds for which payment is made herewith.

- ... No work this month
- 1. Final Report
- 2. Send more forms
- Change of Address
- 3 Change in name

[illegible]

WELF & PEN 25.80 X	871.5 (NOT HOURS WORKED)	22484.7
APPR (AA) 0.5 X	871.5 (NOT HOURS WORKED)	435.75
SAFETY (DA) .01 X	871.5 (NOT HOURS WORKED)	8.715
IND (ID) 0.08 X	871.5 (NOT HOURS WORKED)	8.715
OSCD (IC) 0.01 X	871.5 (NOT HOURS WORKED)	8.715

CONFLICTS OF INTEREST

TOTAL AMOUNT	
DUE	\$23,007.60

ARE DUE BY THE 15TH OF EACH MONTH, LATE
RTS ARE SUBJECT TO LIQUIDATE DAMAGES.

SIGNED:

EXHIBIT D

Monthly Working Dues Report
Construction & General Laborers' District Council of Chicago and Vicinity
 999 McCLINTOCK DRIVE SUITE 300 BURR RIDGE, ILLINOIS 60527 PHONE: 630-655-8765

CONTRACTOR

CODE

102070

PHONE

HUGH HENRY CONSTRUCTION 773-807-9592

5905 W. LAWRENCE

CHICAGO, IL 60630

FEDERAL ID NO.

PAGE 1

Send report and check to:
 Laborers' Work Dues Fund
 Department 4334
 Carol Stream, IL 60122-4334

SOCIAL SECURITY NUMBER

MUST BE SHOWN

PERIOD:

April-17

DELINQUENT AFTER:

5/15/2017 10% PENALTY

SOCIAL SECURITY	LOCAL NO.	NAME OF EMPLOYEE	GROSS WAGES	TOTAL HOURS	DUES WITHHELD
		Hugo Castenada	\$4,391.85	107.5	\$164.69
		Angel Garcia	\$7,026.30	161.5	\$263.49
		Lennart Johnson	\$7,527.60	169	\$282.29
		Erik Lopez	\$3,236.10	77.5	\$121.35
		Juan Lopez	\$4,070.25	99	\$152.63
		Cesar Reyes	\$4,834.05	117.5	\$181.28
		Ricardo Reyes	\$5,758.65	139	\$215.95
					\$0.00
TOTALS		TOTALS	\$36,844.80	871.00	\$1,381.68
LMCC					
LECET					
TOTAL (ABOVE)	\$0.24 X TOTAL HOURS	\$209.04			
WORK DUES	3.75% OF GROSS WAGE	\$1,381.68			
		CHECK AMOUNT	\$1,590.72		
		CHECK #			

EMPLOYERS WARRANTY AND ACCEPTANCE: By the submission of this report, Employer expressly warrants and affirms that this report accurately states all hours worked by all of Employer's laborer employees. By submitting this report, the employer hereby accepts, adopts and agrees to be bound to the terms and conditions of the Independent Construction Industry Collective Bargaining Agreement with the Construction and General Laborers District Council of Chicago and Vicinity (the "Union") and any extension, renewal, modification or amendment of that Agreement.

Employer

By

Signed by an authorized officer, partner or agent only

MAKE AND RETAIN A

COPY FOR YOUR RECORDS

Monthly Working Dues Report
Construction & General Laborers' District Council of Chicago and Vicinity
 999 McCLINTOCK DRIVE SUITE 300 BURR RIDGE, ILLINOIS 60527 PHONE: 630-655-8766

CONTRACTOR

PAGE 1

CODE

PHONE

102070

HUGH HENRY CONSTRUCTION 773-807-9592
 5905 W. LAWRENCE
 CHICAGO, IL 60630

FEDERAL ID NO.

Send report and check to:
 Laborers' Work Dues Fund
 Department 4334
 Carol Stream, IL 60122-4334

SOCIAL SECURITY NUMBER

MUST BE SHOWN

PERIOD:

May-17

DELINQUENT AFTER:

6/15/2017 10% PENALTY

SOCIAL SECURITY NUMBER	LOCAL NO.	NAME OF EMPLOYEE	GROSS WAGES	TOTAL HOURS	DUES WITHHELD
		Hugo Castenada	\$5,175.75	128.5	\$194.09
		Angel Garcia	\$7,131.80	162	\$267.44
		Lennart Johnson	\$7,678.80	170.5	\$287.96
		Erik Lopez	\$6,100.35	147	\$228.76
		Juan Lopez	\$5,175.75	128.5	\$194.09
		Roman Lopez Jr.	\$2,010.00	47.5	\$75.38
		Cesar Reyes	\$5,698.35	139.5	\$213.69
		Ricardo Reyes	\$5,889.30	142.5	\$220.85
					\$0.00
TOTALS		TOTALS	\$44,860.10	1066.00	\$1,682.25
LMCC					
LECET					
TOTAL (ABOVE)	\$0.24 X TOTAL HOURS	\$255.84			
WORK DUES	3.75% OF GROSS WAGE	\$1,682.25			
		CHECK AMOUNT	\$1,938.09		
		CHECK #			

EMPLOYER WARRANTY AND ACCEPTANCE: By the submission of this report, Employer expressly warrants and affirms that this report accurately states all hours worked by all of Employer's laborer employees. By submitting this report, the employer hereby accepts, adopts and agrees to be bound to the terms and conditions of the Independent Construction Industry Collective Bargaining Agreement with the Construction and General Laborers District Council of Chicago and Vicinity (the "Union") and any extension, renewal, modification or amendment of that Agreement.

Employer

By

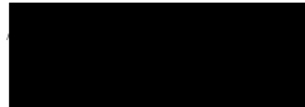
Signed by an authorized officer, partner or agent only

MAKE AND RETAIN A

COPY FOR YOUR RECORDS

FUND OFFICE ONLY

MONTHLY REPORTS OF PAYMENT TO
FOX VALLY LABORERS FRING BENEFIT FUNDS
75 REMITTANCE DR
SUITE #1504
CHICAGO, IL 60675-1504
(847)742-0900



HUGH HENRY CONSTRUCTION
4917 W. Balmoral Ave 1R
CHICAGO, IL 60630

0

The undersigned employer, if not already a signator, hereby becomes a signatory party to the currently applicable collective bargaining agreement with the District Council Local of the Union covering the type and area of work of the list employees and also to each agreement and Declaration of Trust, and amendments, establishing the funds for which payment is made herewith.

8001 JOURNEY MEN

- ☐ No work this month
- ☐ Final Report
- ☐ Send more forms
- ☐ Change of Address
- ☐ Change in name

PLEASE USE SEPARATE FORM FOR DIFFERENT RATES			CODE	REPORT MONTH
JOB LOCATION			LABORERS/BUILDING CONTRACT	Jun-17
SOCIAL SECURITY NUMBER	EMPLOYEE NAME	LOCAL NO	HOURS WORKED	GROSS WAGES
	Hugo Castenada		181.5	\$7,961.90
	Angel Garcia		165	\$7,452.00
	Lennart Johnson		173	\$7,967.05
	Erik Lopez		132.5	\$5,601.70
	Juan Lopez		175	\$7,725.00
	Roman Lopez Sr.		166.5	\$7,014.30
	Roman Lopez Jr.		141.5	\$5,963.70
	Cesar Reyes		183	\$8,054.60
	Ricardo Reyes		81	\$3,419.60
TOTALS			1399	\$61,159.85

PLEASE SUPPLY BUSINESS PHONE : (312)646-8820

WELF & PEN 26.97 X	1399 (TOT HOURS WORKED)=	37731.03
APPR (AA) 0.5 X	1399 (TOT HOURS WORKED)=	699.5
SAFETY (DA) .01 X	1399 (TOT HOURS WORKED)=	13.99
IND (ID) 0.08 X	1399 (TOT HOURS WORKED)=	111.92
CISCO (IC) 0.01 X	1399 (TOT HOURS WORKED)=	13.99

NOTE: THE NAMES ON THIS REPORT WERE LISTED BY THE FUND OFFICE AS THEY APPEARED ON YOUR PREVIOUS MONTHLY REPORT. PLEASE INDICATE ANY CORRECTIONS.

TOTAL AMOUNT DUE \$38,570.43

BE SURE TO ADD THE NAME AND CORRECT SOCIAL SECURITY NUMBER OF ALL EMPLOYEE WHO WERE HIRED DURING THIS PERIOD.

ARE DUE BY THE 15TH OF EACH MONTH. LATE RTS ARE SUBJECT TO LIQUIDATE DAMAGES.

SIGNED: *Tracy [Signature]*

EXHIBIT F

Monthly Working Dues Report
Construction & General Laborers' District Council of Chicago and Vicinity
 999 McCLINTOCK DRIVE SUITE 300 BURR RIDGE, ILLINOIS 60527 PHONE: 630-655-8765

CONTRACTOR

PAGE 1

CODE

PHONE

102070

HUGH HENRY CONSTRUCTION 773-807-9592

5905 W. LAWRENCE

FEDERAL ID NO.

CHICAGO, IL 60630

Send report and check to:
 Laborers' Work Dues Fund
 Department 4334
 Carol Stream, IL 60122-4334

SOCIAL SECURITY NUMBER

MUST BE SHOWN

PERIOD:

June-17

DELINQUENT AFTER:

7/15/2017 10% PENALTY

SOCIAL SECURITY NUMBER	LOCAL NO.	NAME OF EMPLOYEE	GROSS WAGES	TOTAL HOURS	DUES WITHHELD
		Hugo Castenada	\$7,961.90	181.5	\$298.57
		Angel Garcia	\$7,452.00	165	\$279.45
		Lennart Johnson	\$7,967.05	173	\$298.76
		Erik Lopez	\$5,601.70	132.5	\$210.06
		Juan Lopez	\$7,725.00	175	\$289.69
		Roman Lopez Sr.	\$7,014.30	166.5	\$263.04
		Roman Lopez Jr.	\$5,963.70	141.5	\$223.64
		Cesar Reyes	\$8,054.60	183	\$302.05
		Ricardo Reyes	\$3,419.60	81	\$128.24
					\$0.00
					\$0.00
					\$0.00
TOTALS		TOTALS	\$61,159.85	1399.00	\$2,293.49
LMCC					
LECET					
TOTAL (ABOVE)	\$0.24 X TOTAL HOURS	\$335.76			
WORK DUES	3.75% OF GROSS WAGE	\$2,293.49			
		CHECK AMOUNT	\$2,629.25		
		CHECK #			

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Employer

Hugh Henry

By

Tracy Beckett

Signed by an authorized officer, partner or agent only

MAKE AND RETAIN A

COPY FOR YOUR RECORDS

FUND OFFICE ONLY

**MONTHLY REPORTS OF PAYMENT TO
FOX VALLY LABORERS FRING BENEFIT FUNDS
75 REMITTANCE DR
SUITE #1504
CHICAGO, IL 60675-1504
(847)742-0900**

ACCOUNT NO: [REDACTED] FOR OFFICIAL
USE ONLY

HUGH HENRY CONSTRUCTION
4917 W. Balmoral Ave 1R
CHICAGO, IL 60630

0

The undersigned employer, if not already a signator, hereby becomes a signatory party to the currently applicable collective bargaining agreement with the District Councilor Local of the Union covering the type and area of work of the list employees and also to each agreement and Declaration of Trust, and amendments, establishing the funds for which payment is made herewith.

8001 JOURNEY MEN

- ☐ No work this month
- ☐ Final Report
- ☐ Send more forms
- ☐ Change of Address
- ☐ Change in name

PLEASE USE SEPARATE
FORM FOR DIFFERENT
RATES

JOB LOCATION			LABORERS/BUILDING CONTRACT	Jul-17
SOCIAL SECURITY NUMBER	EMPLOYEE NAME	LOCAL NO	HOURS WORKED	GROSS WAGES
	Hugo Castenada		136.5	\$5,768.00
	Gilberto Damian		84	\$3,738.90
	Angel Garcia		142.5	\$6,404.40
	Lennart Johnson		156	\$7,105.15
	Erik Lopez		103	\$4,336.30
	Juan Lopez		146	\$6,190.30
	Roman Lopez Sr.		108	\$4,542.30
	Roman Lopez Jr.		27	\$1,112.40
	Cesar Reyes		119	\$5,180.90
	Ricardo Reyes		92	\$4,068.50
	Anthony Norlock		27	\$1,174.20
TOTALS			1141	\$49,621.35

PLEASE SUPPLY BUSINESS PHONE : (6: (312)646-8820)

WELF & PEN 26.97 X	1141 (TOT HOURS WORKED)	30772.77
APPR (AA) 0.5 X	1141 (TOT HOURS WORKED)	570.5
SAFETY (DA) .01 X	1141 (TOT HOURS WORKED)	11.41
IND (ID) 0.08 X	1141 (TOT HOURS WORKED)	91.28
CISCO (IC) 0.01 X	1141 (TOT HOURS WORKED)	11.41

NOTE: THE NAMES ON THIS REPORT WERE LISTED BY THE FUND OFFICE AS THEY

APPEARED ON YOUR PREVIOUS MONTHLY REPORT. PLEASE INDICATE ANY

CORRECTIONS.

**TOTAL AMOUNT
DUE \$31,457.37**

BE SURE TO ADD THE NAME AND CORRECT SOCIAL SEURITY NUMBER OF ALL
EMPLOYEE WHO WERE HIRED DURING THIS PERIOD.

ARE DUE BY THE 15TH OF EACH MONTH. LATE
RTS ARE SUBJECT TO LIQUIDATE DAMAGES.

SIGNED: _____

EXHIBIT G

Monthly Working Dues Report
Construction & General Laborers' District Council of Chicago and Vicinity
 999 McCLINTOCK DRIVE SUITE 300 BURR RIDGE, ILLINOIS 60527 PHONE: 630-655-8765

CONTRACTOR

PAGE 1

CODE

PHONE

102070

HUGH HENRY CONSTRUCTION 773-807-9592
 5905 W. LAWRENCE
 CHICAGO, IL 60630

FEDERAL ID NO.

Send report and check to:
 Laborers' Work Dues Fund
 Department 4334
 Carol Stream, IL 60122-4334

SOCIAL SECURITY NUMBER

MUST BE SHOWN

PERIOD:

July-17

DELINQUENT AFTER:

8/15/2017 10% PENALTY

SOCIAL SECURITY NUMBER	LOCAL NO.	NAME OF EMPLOYEE	GROSS WAGES	TOTAL HOURS	DUES WITHHELD
		Hugo Castenada	\$5,768.00	136.5	\$216.30
		Gilberto Damian	\$3,738.90	84	\$140.21
		Angel Garcia	\$6,404.40	142.5	\$240.17
		Lennart Johnson	\$7,105.15	156	\$266.44
		Erik Lopez	\$4,336.30	103	\$162.61
		Juan Lopez	\$6,190.30	146	\$232.14
		Roman Lopez Sr.	\$4,542.30	108	\$170.34
		Roman Lopez Jr.	\$1,112.40	27	\$41.72
		Cesar Reyes	\$5,180.90	119	\$194.28
		Ricardo Reyes	\$4,068.50	92	\$152.57
		Anthony Norlock	\$1,174.20	27	\$44.03
					\$0.00
TOTALS		TOTALS	\$49,621.35	1141.00	\$1,860.80
LMCC					
LECET					
TOTAL (ABOVE)	\$0.24 X TOTAL HOURS	\$273.84			
WORK DUES	3.75% OF GROSS WAGE	\$1,860.80			
		CHECK AMOUNT	\$2,134.64		
		CHECK #			

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Employer

By

Signed by an authorized officer, partner or agent only

MAKE AND RETAIN A

COPY FOR YOUR RECORDS

LAW OFFICES
DOWD, BLOCH, BENNETT, CERVONE, AUERBACH & YOKICH

8 SOUTH MICHIGAN AVENUE • 19TH FLOOR
CHICAGO, ILLINOIS 60603-3315
(312) 372-1361 | FAX (312) 372-6599
WWW.DBB-LAW.COM

MELISSA J. AUERBACH
BARRY M. BENNETT
ROBERT E. BLOCH
ROBERT S. CERVONE
J. PETER DOWD
JOSIAH A. GROFF
JUSTIN J. LANNOYE
DAVID P. LICHTMAN
GEORGE A. LUSCOMBE III
RONALD M. WILLIS
STEPHEN A. YOKICH

JEREMY M. BARR
WILLIAM M. KINNEY
ELIZABETH L. ROWE

August 3, 2017

BY MAIL AND EMAIL

Peter J. Gillespie [pgillespie@lanermuchin.com]
Laner Muchin
515 North State Street
Suite 2800
Chicago, Illinois 60654

Re: *Shales, et al. v Hugh Henry Construction Inc., et al.*, 16-cv-07203 (N.D.Ill.)

NOTICE OF DEFAULT

Dear Mr. Gillespie:

Since my July 5, 2017 letter, Hugh Henry Construction, Inc., Tracey Biesterfelt, and Michael Gallagher (“Defendants”) remain in default under paragraph 5 of the Settlement Agreement and Mutual Release and paragraph 9 of the Commercial Security Agreement, which Defendants executed on June 18, 2017. The status of Defendants’ default is specifically as follows:

1. Defendants have paid the \$5,000.00 payment due July 1, 2017, but have not paid the \$5,000.00 payment due August 1, 2017.
2. Defendants have failed to comply with their labor agreement with the Laborers’ District Council, in that Defendants have made only a lump sum payment of \$50,000.00 toward

EXHIBIT H

contributions owing for January through June 2017, even though the total principal amount owing based on reports Hugh Henry itself submitted (and not even including liquidated damages or interest) stands as follows:

Hugh Henry Contributions Due Based on Reports from 2017		
Month	Funds	Dues
Jan-17	\$ -	\$ -
Feb-17	\$ 1,689.60	\$ 111.84
Mar-17	\$ 19,549.20	\$ 1,322.20
Apr-17	\$ 23,007.60	\$ 1,590.72
May-17	\$ 28,142.40	\$ 1,938.09
Jun-17	\$ 38,570.43	\$ 2,629.25
Webster Check No. 1113	\$ (3,168.00)	\$ -
Webster Check No. 1114	\$ -	\$ (223.20)
Hugh Henry Check No. 2914	\$ (45,432.66)	\$ (4,567.34)
Total Principal Contributions	\$ 62,358.57	\$ 2,801.56

Pursuant to the default terms of the agreements described above, the Defendants must cure each and every one of these circumstances constituting default within five days. After that time period has expired, the Funds have directed me to enforce the agreements through any lawful means I deem necessary and without further notice. Any information or payments related to the Defendants' efforts to cure this default should be sent to me.

Yours truly,


Josiah A. Groff

cc: Tracey Biesterfelt, 4917 W. Balmoral, Chicago, IL 60630 (by mail and email)
Michael Gallagher, 4917 W. Balmoral, Chicago, IL 60630 (by mail and email)
Pat Shales (by email)
Cindy Young (by email)
David Ugarte (by email)
Kim Wetzel (by email)
Elizabeth L. Rowe (by email)

**THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**FOX VALLEY LABORERS' HEALTH AND)
WELFARE FUND, THE FOX VALLEY)
LABORERS' PENSION FUND, and PAT)
SHALES, Administrator of the Funds,)**

Plaintiffs,

v.

**HUGH HENRY CONSTRUCTION INC.,)
an Illinois corporation, TRACEY)
BIESTERFELDT, individually, and)
MICHAEL GALLAGHER, individually,)**

Defendants.

Case No. 1:16-cv-7203

Judge Shah

AGREED JUDGMENT

This matter coming before the Court on Plaintiffs' Motion for Entry of an Agreed Judgment, and the Court having reviewed the motion along with the supporting materials, the Court hereby FINDS, ORDERS, and ADJUDGES as follows:

Judgment is entered in favor of the Plaintiffs and against Defendants Hugh Henry Construction, Inc., Tracey Biesterfeldt, and Michael Gallagher, jointly and severally, in the total amount of \$419,221.93 on all Counts of the Amended Complaint, representing contributions, plus Welfare, Pension, Safety, Apprenticeship, CISCO, and IAF liquidated damages at 20%,

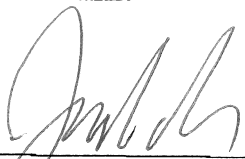
LMCC, LECET, and Dues Funds liquidated damages at 10%, interest, audit fees, and attorneys' fees, for the period of November 1, 2013 through December 31, 2016.

SO ORDERED:

Honorable Judge Manish S. Shah

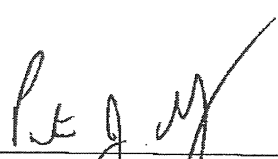
Date: _____

For Plaintiffs:



J. Peter Dowd (#0667552)
Josiah A. Groff (#6289628)
Elizabeth L. Rowe (#6316967)
DOWD, BLOCH, BENNETT, CERVONE,
AUERBACH & YOKICH
8 South Michigan Avenue, 19th Floor
Chicago, Illinois 60603
(312) 372-1361
(312) 372-6599 (fax)

For Defendants:



Scott A. Gore
Michael A. Kudzwara Jr.
Peter Gillespie
LANER MUCHIN, LTD.
515 N. State Street, Suite 2800
Chicago, IL 60654
(312) 467-9800
(312) 467-9479 (fax)