Retiree Solutions & Advocacy

GE Retiree Benefit Solutions—**Let us Help You!**

Solutions Leadership Team Meeting Minutes

Date: 2/11/2021

Attendees: John Phelps, Connie Vick, Bob Dayhuff, Betsy Ervin, Rodney Ira, Brian Demo. Ed Stone (guest) was present for Part 1. Called to Order - 11:05 am (time)

Part 1 Pension De-Risking Presentation, Ed Stone

John opened with some background: Ed and I've been talking through email correspondence and we did talk on the phone since January 15. Ed was introduced to me, and me to him through Jack Cohen, from the Bell-Tel *retiree* association. Jack I go back to an organization and, if you remember, years ago, and we were looking at an umbrella corporation was going to *be* Protect Seniors ... So Jack was part of that, and then I was asked to be on their board and then I didn't even know until Ed told me that they folded … that senior's group folded. So anyway, Jack put me in touch with Ed and Ed with me. We talked about pension de-risking and all that stuff and Ed said he would put together a presentation and presenting it to the board. This is a hot topic for us, obviously, because everything that GE is doing. I call it GE's nibbling around the edges here, doing different things in different spots in different ways, from pension freezes and all the different things, you know actually de-risking. Ed will talk about the definition of de-risking in a second here. So that's kind of a background on how Ed and I got together and he's got a lot of expertise in this area and he's here now.

Ed: Thank you for that introduction. I've been working with Jack Cohen, and the Association of Bell-Tel retirees for a decade, I did work with Protect Seniors for a while - kind of unfortunate what happened with them, not really entirely sure why. But you know things got into a situation with them that they couldn't really overcome. They were originally created by the Association of Bell-Tel Retirees to do their lobbying, because the Association of Bell-Tel, they're 501c3 and 501c3 is just like 501c5 *(non-profit organizations)*, have limitations on how much lobbying, they can do directly. So the idea initially behind Protect Seniors was to be a lobbying vehicle that they could use. And it was essentially funded by grants and the Association of Bell-Tel Retirees. The goal was to grow it outside of just the Bell family and expand to other groups. And for a while that did happen, but they lost a lot of that momentum and never really grew outside of the Bell family, so if the Bell-Tel retirees were getting contributions from their members Protect Seniors wasn't getting contributions, and that was kind of what led to the decline, but the concept was a very good one. And I did lobby, on behalf of them in a number of different states and had some success which I'll tell you about a little bit later, but I got involved initially.

When Verizon kicked out 41,000 people from its defined benefit plan and put them into a group annuity contract with Prudential, I had just been involved in a very prominent liquidation in the state of New York for the Executive Life Insurance Company of New York. And what happened there was that company was placed into rehabilitation decades ago, over 25 years ago, and they languished in rehabilitation for more than 20 years. And then at some point people realize that they didn't have sufficient enough assets to meet their liabilities, and so they tried to convert the rehabilitation to a liquidation. And in doing that, the only way they could do it and make it work, and again insurance companies can't go through bankruptcy, they have to go through insurance liquidation under the insurance law of the state where they reside. So they went through New York state insurance law and New York state liquidation and they wound up cutting 920 million of benefits from annuity recipients, some of whom were retirees. And so I opposed the liquidation plan for a number of different reasons. And I wound up representing hundreds of individuals who had their benefits reduced. Some of them, I managed to get the benefits paid. Some of them, I didn't, but I was very involved in in the liquidation process itself and trying to get it, you know, to work and came up against a buzzsaw. *I* learned a lot about the way insurance companies liquidate and how complicated and political it is. So my big takeaway from that is stay away from an insurance company liquidation and all costs. It never works, where you would like it to work.

But in any event, if you could go to the next slide, we're talking about de-risking. just generally. De-risking can take many forms, right? It's really any decision by a defined benefit plan sponsor to reduce liabilities. That includes freezing the plan and annuity buy-in, where it's still covered under ERISA, offering lump sums to retirees. What's known as an annuity buy-out or a lift-out where, like with the Verizon transaction I talked about, they kick people out of the plan and they transfer them over to an insurance company and that's what I spend most my time talking about. There's also, you know, a whole movement towards liability driven investing where the pension plan itself invests in various different instruments designed to address *the* kind of long duration liabilities of a pension plan that's also considered a form of the de-risking.

But the real crux of it from my standpoint involves de-risking VIA the purchase of an annuity contract. So when you have a defined benefit plan, you're getting your pension. You're covered by ERISA, which is a federal law passed in 1974, that provides uniform protections to retirees.

Ed discussed a line on the slide that read 'Since 2012.millions of Retirees have been kicked to the curb by the company they worked for and now receive their pension benefits from an insurance company'. He said: And what happened in 2012, and the way this has evolved is, you know, planned terminations using annuities have been in existence for very long time, and essentially, if a company is going bankrupt we're winding down its business and they still have a pension, very often they'll terminate the plan. And by terminating, they'll terminate the plan by purchasing an annuity contract to make all of the payments, and then the plan doesn't exist anymore. And that's happened quite a bit over the over the past 50 years or so. But what started happening with the Verizon transaction was: instead of just terminating the plan, Verizon amended the plan. They made an amendment and said we're going to amend the plan and we're going to take 41,000 people put them into what's called an allocated group annuity contract, and keep the plan in place. So today, the Verizon has a pension plan that still has more than 50,000 participants in it, but 41,000 were essentially kicked out. They had no say in the process, and now they get their payments from Prudential.

Now, if you go to the next slide, please John, that would be great. So why does that really matter? … Okay, isn't Prudential well-suited to make annuity payments? Well they are, but first of all, you'll never get a cost-of-living increase (COLA) if you're in a group annuity contract. In fact, the contracts themselves prohibit the payments. … These allocated group annuity contracts have to be fixed and determined from the outset, so you will only get the payments that you're getting.

Any promise of a COLA is gone now. There hasn't been a lot of COLA's over recent years, but that was something in the past that did happen from time to time. So, in addition to losing kind of the uniform protections that you have under ERISA, and then you default to the state law, when you drill down, you think about what does it really mean to a retiree? Well under ERISA, creditors can't get at your pension. Under an annuity contract, it depends what state you live in and that's one of the big issues that we try and address at the state level. Obviously, ERISA allows ready access to the federal courts. You lose that, all together, which means you can't sue for breach of fiduciary duty and you can't hold the fiduciaries accountable under ERISA, and you're not allowed. And you no longer get annual statements or any statements about how your annuity is performing and you don't even get an annuity. You actually just get a certificate under the group annuity contract.

Under ERISA, fiduciaries are held with fiduciary standard when it comes to investing. Ironically, they're not held to a fiduciary standard when they decide to amend or terminate the plan. Then they're held to this an administrative standard and what's known as a set lower standard, which means they're making an administrative decision, then they don't have to take into consideration their fiduciary rule. There's a lot of case law that's evolved in this area, none of it very good for retirees. Essentially, what the courts concluded is that the people who are fiduciaries under ERISA can also wear two hats. They can act as a set lower of the pension plan and they can also act as a fiduciary when it comes to investments. It's a very unfortunate development, and one that that I'm very opposed to personally but there's not a lot, you can do about it, unless you actually change ERISA. Because that's where the courts have pretty much come down. So, in addition to not getting disclosures, to not having uniform protection from predators, not having access to federal courts, the biggest financial loss, I think, is the last, having access to the pension benefit guaranty corporation (PBGC).

The PBGC provides very substantial benefits for pension plans that go bust. And those benefits increase annually as a function of age, so as a 65-year-old you get a certain amount and it's a 75-year-old you get substantially more. On the contrary, and I can share with you all the exact numbers – I haven't memorized them but they're pretty significant, under an annuity contract, the maximum amount of coverage per individual per lifetime that you could possibly get would be $500,000. And well $500,000 may sound like a good chunk of change, it's not a good chunk of change if you're 65 years old and planning to live for 30 years, or even 20 years. Because that's per individual per lifetime and, by the way, 500,000 is the most. Most states have limits of 250,000. When we started this through a number of states that was low as $100*K*, but they've all sets up their level of coverage to at least $250*K*.

You know before we move on, I want the board to know that you can ask a question at any time, if there's a slide there's a question you have. Please ask it because I hate to go through all these and

then, you know, you forgot what you wanted to ask … Yes, and absolutely if you have any questions, please ask them.

Brian: I have one right now, please, I was wondering if the 70,000 people that GE booted out and froze, did they fall under something like this?

Ed: Well it's the 75, the ones that were recently transferred to Athene … those were de-risk … no understatement there, they are now certificate holders under a group annuity contract, that is essentially, run by a company called Athene that is funded by Apollo. … Apollo is behind them and I don't know if you guys and follow this but Leon Black, who I've been following for quite some time, essentially made his fortune off the back of the Executive Life companies going back to the late 90s took over the bond portfolio for Executive Life of California, which was the parent company of Executive Life of New York. He took over the bond portfolio and sold it for three and a half billion-dollar profit inside of a year, used three and a half billion to fund Apollo and so now he is he is the founder of Apollo. He recently stepped down as Chief Executive of Apollo as a result of some bad press about his relationship with Jeffrey Epstein.

John: Let me give you a little more background to that. The GE Silicone plant where I worked, that was sold. Apollo was the group. The private equity company was Apollo that took it over and within three years, they ran it into the ground, decimated benefits and wages and then sold it off. And as a matter of fact, they declared bankruptcy and then sold that off. So that's Apollo, and it follows they are back and healthy. That would make me question them being in the picture at all.

Ed: When we're done, you'll question it even more because that is very cozy relationship between Apollo and Athene. Athene wants the assets, you know, they really want those annuity assets, because they think that they can make more money investing them. They're considered what's known as kind of a sticky asset. So when they take over, they get the cash from this pension and they can invest it. And they do it in a way that allows them to fly below the radar, under the guise that they're going to earn more than they would in a regulated insurance company. And if they do great, if they don't not so great. But I'll dig into a whole bunch in a little bit. I just want to get through a little bit of the differences, just so you guys know what to look out for sure. So under a pension.

You have the creditors; you know … you're going to get an annual statement which is really very important. And from the many of the retirees I have spoken to it's very important to *them* too. It's not that you want to make investment decisions for the plan, but you want to know how it's doing and as people plan for their lives, they want to know am I underwater? Is this pension money good for 20 years, or do I have something to worry about?

John: Right, like these recent deficits that they've …

Ed: That's right … Again the PBGC, the group annuity contract, *is* the biggest issue that I have, in addition to the fact that state laws are not uniform. So *in* some states, a creditor could get out your annuity payment the coverage limits of guarantee associations are also not only a CAP, but they're really suspect. And what I mean by that is all guarantee associations or post insolvency assessment

vehicles, which means it's a fancy way of saying they have no money. So they only can raise money by assessing their members and the members are all life insurance companies that write business in that state. So if you're in Kansas and there's 10 insurance companies that write life insurance business in Kansas. Those and one of them fails, the other nine have to pony up to fund the guarantee association to cover the cost of liquidating the failed company. Well, the other nine companies might not have the ability to do it and they certainly will not want to do it. …

John: that's really interesting at the creditor protections. Again if they sold out to an annuity or transfer to an annuity and then what you just said, if one of them goes under, the rest of them got a pony up and God knows if money's going to be there.

Ed: Right and I could tell you this, I mean the Executive Life of New York at its heyday, was the three and a half billion-dollar insurance company and they had to find they had to fight tooth and nail to get the insurance companies to chip in after 25 years of rehabilitation. If a company like a Prudential went bust, that's 100 times bigger than Executive Life of New York. There's no way the other companies would have the wherewithal to pony up with they'd have to pony up. It's just not going to work, but the reason for all this is that insurance companies under the McCarran Ferguson act are regulated by the state's unless Congress specifically chooses to regulate them for a specific purpose.

John asked about the year of the act and Ed responded: 1954.

Ed continued: The reason that McCarran Ferguson was written back in the day when it was very hard for the adjuster to get from state to state. So if you had a California insurance company and you were located in Florida, and there was a fire in your house, it was very hard for the California insurer to get an adjuster to Florida. And so they made it a State issue, and that made some sense when it was hard to get from place to place, but today it makes absolutely no sense. But it's one of the things that the insurance industry wants to keep because that way they know which jurisdictions are friendly and which jurisdictions are not friendly. And we'll talk about that as we get a little further on, if you could flip to the next slide please that'd be great.

There you go! Okay, so all of this comes down to, why do you guys care about this? Well you care because the most important thing, in my mind, is there’s too few companies with too much money at risk. So by my estimate, which we’ll come to later, since I started tracking this, really actively in 2012, there's been $165 billion transferred from the defined benefit plans to annuity companies - that's a lot of money. And there's really only a handful of players, you know Prudential is probably the largest, Met Life and Athene or next you got a couple others like Mass Mutual who participate on some level. And really it really falls off after that. There's not a ton of people in the business. There’s enormous concentration risk. And what we learned during the financial crisis is nobody's too big to fail.

John asked about AIG and Ed said AIG has not been a big player but should be watched.

Ed continued with Slide 6: So you know, in addition to the hundreds of billions of dollars that's at stake, more and more of these publicly traded life insurance companies are monkeying around with their reserves. And what I mean by that is a regulated insurance company has to hold a certain

amount of assets in what are called tier one assets, admitted assets which are supposed to be secure. That would be publicly traded stocks and bonds, things of that nature, that you would understand and things that are liquid. It doesn't mean that they're always going to be as valuable as they were on the day you purchased them, but they'd be liquid, and they have to have certain ratings and things of that nature. More and more of these companies are offloading their reserves by doing transactions internal to their own group with wholly owned captive reinsurance companies. Athene, in particular, uses a company in Bermuda. So what they do is the regulated company substitutes its assets for an IOU, so that regulated company, now the depends on Athene Bermuda to make good on that IOU when it's time to pay the piper. The problem is that the company is not subject to regulation in the United States. And they don't have the same rules about what you can invest in, and what kind of risk, you can take.

John asked if that was legal and Ed clarified: They can do it if they're if their regulator approves what's called credit for reinsurance. So if the regulator approves it, they can do it.

John: Are you talking state regulator, are you talking a federal?

Ed: State, that's the whole that's the whole challenge. It's the state regulator, and for the most part, these big insurance companies are so complex that the state regulators are simply not up to the task of understanding what they're doing and they don't do it all at once they do it, little by little, deal by deal. By do, and I've been tracking Prudential literally, I could show you a slide that would blow your mind. But Prudential has over 200 billion in related party reinsurance transactions and it's all circular, there is nothing. It's not if you buy reassurance from a third party. Arguably you're better off because the third party's taking the risk that if there's not enough money there they'll step in. … if you're capitalizing your own reinsurer and you're transferring the risk from pocket A to pocket B.

John: Yeah, you know better off. Are they doing that in the United States or outside the United States?

Ed: In the United States. Prudential's doing it in the United States, in Arizona. They have … six wholly owned captive reinsurance companies located in Arizona. Arizona has a very lax captive insurance company law, that does not require them to produce financial statements. And they allow them to use conditional assets to count against their surplus. So they can use conditional letters of credit, they can use parental guarantees, they can use what's known as a surplus note which is really debt. it's a debt that's subordinate to policyholder claims. But it's still debt, they're allowed to count that as an asset in Arizona. They would never be allowed to count it in New Jersey, or in any place that the insurance company was regulated in the US.

John: So if Prudential holds an account, say they held GE's annuity account, and it would still fall. You're talking about Arizona and their ability to move money around but wouldn't they still be regulated in New York?

Ed: Prudential would be regulated in New Jersey. Prudential Financial Aid is a holding company, it owns four primary regulated insurance companies. Those insurance companies all upstream (send) a lot of money to the holding company. It's the regulated insurance companies that are doing the

deals with the wholly owned captive reinsurance and so they're holding less in assets, less in reserve because they’re substituting reserves, with an IOU from a wholly owned captive insurance company. That's what it's doing. So they're really moving stuff around and it's not going to show up immediately on day one, but it's a real reason for people to be concerned and to want them to be more transparent about the reporting. And that's what we are very focused on right now.

So in addition to that, I’m sure you guys all read about what happened with MetLife when they lost 25,000 retirees. There was a big lawsuit involving the SEC. They wound up paying a fine and it seemed as though you know the problem was resolved. But what most people don't realize is MetLife contributed over $500 million to reserves, after they paid the fine. So why do they contribute 500 million back? They put it back because they took it out. In other words, they were using these kind of financial chicanery to pull money out of reserves by not paying retirees. So, they didn’t pay them.

Rodney: Doesn’t the insurance companies, I mean that's seems like it's kind of a detriment to them to even play these kinds of games. I mean well what they gaining?

Ed: Well, what they gain is they, and you'll see that it's almost always done with publicly traded insurers, a mutual doesn’t do it because there's no benefit. The publicly traded insurance who managed for earnings they get to use that cash for other purposes. They get to use it for mergers and acquisitions, to pay corporate salaries, to do all sorts of things. And the reason they do it is they believe that the reserves are redundant or excessive. So they think the regulators are asking them to hold too much and reserve. So they asked the regulator to allow them to approve a transaction with an affiliate and that reduces the amount of real assets that they have to hold. And so, the more they do that, the more they can upstream the access to their parent company. And they use it to buy back stock, they use it to buy other companies, they use it to pay salaries, and recruit, you know, recruit members of their management.

John: So how did MetLife get caught, is that the next bullet?

Ed: Yeah, so MetLife got caught, which is an interesting question. So I understand that there were a couple of whistleblowers who alerted the SEC, that the pension payments weren’t made. And you know a lot of the business that MetLife was doing: some of it was their own business, some of it, they were just servicing for other companies. Sometimes they just take over blocks of business and they make the payments. And so, a lot of the businesses, they quote unquote lost track of these folks because all they were doing was sending out two letters and if you didn't respond, they just assumed you were dead. And they never bothered to check the master death index, which is published by the Social Security, which shows whether people are alive or dead. Ironically, they were checking it for the annuity business because, if someone dies and they're getting an annuity they want to stop the payment right away. When it was life insurance they didn't want to stop the payment. So they got dinged for that and as they looked in there, they saw that they were also missing these payments to all these pensioners, because they were doing the same thing. They were only sending out two letters and then they would stop making the payments. So, once they found out, you know, there was a big hullabaloo. The SEC in Massachusetts filed the lawsuit or a couple of the lawsuits were filed. They have all ultimately settled for a slap on the wrist. But I will show you

they put over $500 million back into reserves at the regulated company, because the regulator's realized what had happened. You got to really watch this stuff closely because these guys are very, very tricky. So for them, you know, if they couldn't find somebody it was found money because the way this works is they hold these reserves, they don't do it on an individual retiree basis. But let's say they have 10,000 retirees. When that number goes down to 8000, they do their actuarial calculation. Their reserve number goes down, that access, they can take out. That’s exactly what they did. And that's one of the biggest reasons why this is so crazy. So if you could switch to the next slide, John, that would be great.

Okay, so a little bit more: they forgot to pay 10s of thousands. They got a $90.75 million fine. SEC made them pay another 10 million for pension accounting violation. And they went right back into the business. And they started doing more and more pension risk deals. So that's kind of you know where it's at now.

John: Whose watching that, *is the* SEC the only thing?

Ed: MetLife is supposed to be supervised by the Department of Financial Services in the State of New York. Let me ask you guys a question about MetLife, just because. Out of curiosity, what was the most iconic brand in the insurance industry that you ever saw in your life?

There was some discussion about Snoopy and Woodstock, used for MetLife advertising in the past.

John: I go back to the days when insurance man used to come to your house and collect the premium.

Ed: My wife was just telling me about that, because she was she remembered their grandparents telling her that he used to come and take $1, and if you weren't there, you just come back the next week.

Bob: Hey, I did that once.

Ed: Did you take the dollar or give the dollar?

Bob: I tried to get him to pay a whole bunch of nickels at once. I had some nickel policies. There was some laughter and Rodney asked if it was a plug nickel.

Ed added: You know, a lot of those policies were actually what's known as participating whole life policies. They weren't the worst policies; they weren't the worst things in the world. You know you paid the money and it would grow, based on how well the insurance company did.

Bob: It was the best deal the person who took it out at their age, they ever got in their life.

Ed: Yeah because they kept *it*, because the more money they put in, the more they got a share of what the insurance company made. And as these insurance companies got big, they did share substantial profits, again mostly the mutual *insurance companies*. But the business really changed when a lot of these companies converted to being publicly traded. They're answering to the

shareholders, much more so than they are policyholders. So, in any event, what really kind of got us discussing these issues together was the decision by General Electric to transfer $1.7 billion in pension plan obligations to Athene and I've been, like I said, I've been following Athene for a long time for lots of reasons. I have a lot of concerns about them, not just because they have a Bermuda company, but just because I don't trust Apollo. I know *what* Apollo, you know, has done. I'm not going to criticize their ability to invest, but I think that if they could stiff policyholders, they'd do in a heartbeat, if he can make a buck.

John: And I'll say again, back dealing with Apollo up there at GE Silicones, when we got sold. They're the dirtiest. All they do is squeeze you to death and then file bankruptcy, boom! That's the business model.

Ed: Yeah and you know I think that's something you need to be looking out for so you can go to the next slide if you don't mind.

So yeah I track this, I mean this number is probably understated because some of the transactions are not reported yet for the fourth quarter of 2020. But by our estimations, which we pull from some insurance think tank studies and publicly available information, this is the number that we've confirmed has been transferred from defined benefit plan sponsors to insurance companies ($128 trillion). That's a significant amount of money and a lot of retirees. There were 41,000, you know, Verizon retirees, over 100 *(K)* GM, those are two big ones. 70,000 were impacted in the in the GE deal, and I know GE's got a lot more that they're probably looking to get rid of.

John: Well, that's the big scare, Ed, on the next contract, you know. They're nibbling, as I say, next contract, who knows what they're going to say. We're going to transfer this all to an authority.

Ed: Now, for you guys, … your Members, are you management, union, combination?

John: Both yeah, salary, day and hourly.

Ed: The union issues are a little bit different because you really got to look at what was done in collective bargaining. If the unions were careful and they collectively bargained with respect to their pension, you may have a shot. The problem is, all of these pension plans now put in what's called a reservation of rights clause, which basically says we … reserve the right to screw you at any time.

John: Yeah, that's just what they put in on the health care and that's what we're afraid they're going to put it in on the pension, you know.

Ed: It's already there, I bet. It's already there.

John: I don't know, I'd have to go look in the annual statement.

Ed: Take a look at your summary plan document. If you send it to me, I'll show you where the reservation of rights clause is. I'm pretty good at finding them now, but I have not seen one for a big company in recent years that didn't have a reservation of rights.

John: Right, because it's not another GE strategy, putting that in there, they snuck it in there before. The union, never caught it on the health care.

Ed: Yeah well, the union could have prevented by collective bargaining it away and they had to collectively bargain and have it determined to be a vested benefit that they would not take away. But if they didn't collectively bargain it and there's a reservation of rights clause, it's going to be very hard to stop them from taking it away.

John: And the two things with the Union, as you well know, the unions are down, barely anything anymore, and all the big locations: Lynn, Louisville, Schenectady and all over the country. They're down, their numbers are down to almost nothing and they have no bargaining power anymore. And also they've been fighting on the CBC, the coordinated bargaining committee. So their chances of resisting GE trying to do anything is what I'm saying is nil.

Ed: You got to think the GE is way many steps ahead, you know?

John: Absolutely, that's why I say they're trying these things out to see what the reaction is going to be and we've brought up at every meeting. Every fall meeting, we brought up: are you going to de-risk? No, absolutely not. No, absolutely not. And then they do the terminology bit, you know. It's not de-risking, that's a buy-out that's a freeze. They do the language.

Ed: So a buyout is de-risking because what they're doing is they're using a different discount rate to calculate the buyout payment. And that saves the money, so if they're discounting your pension liabilities at say, three and a half percent, and they offer you a lump sum, but they discounted it at 6%. The difference is really a savings for them, because the impact of discounting over, you know, your life expectancy is what they're doing.

All right, so if you go to the next slide, what I've determined over the past decade is that there's no way that we're going to stop corporations from de-risking. It's just we can try all kinds of things and we can try and make them more accountable and more transparent. But we're not going to be able to stop them for a number of reasons. Number one: defined benefit plans are a thing of the past. No big, very few big corporations, are offering them anymore. Everybody's trying to move towards defined contribution, you know, like 401K plans, and things like that. And that's just the way things are moving.

That creates a whole host of risks, but you know that's not really my focus. My focus is on making sure that retirees earned benefits are protected. So there is a need, right now, to make sure that whatever protections you had under ERISA, are replaced. At the state level, it shouldn't be that difficult for some things. And the key things that we're really concerned about is, you know, we talked about credit protection. The other things that we look at on the state level is also subsequent transfers. I mean the example that I like to give is let's say Prudential is a good insurance company. They do some things that I don't like. But I think they manage their businesses, they service well, they keep accurate records when they want to. But I think that what if Prudential decided to transfer it to the Eddie Stone Insurance Company. You don't want that, you know, and right now there's no restrictions and insurance companies transfer books of business all the time. And they do

it in ways that are not so obvious. They can do it through assumption and reinsurance. They can do it just by selling a whole block. And there's been a lot of insurance merger and acquisition activity, very significant, just over the past couple of months. And I believe it's going to increase and Prudential just announced that they were planning to do 10 billion in M & A (*Mergers and Acquisitions)* over the next two years.

John: How many of them try to go offshore?

Ed: As you know, Athene is the one that uses the big offshore entities. A lot of them stopped because they found that they could use captive reinsurers onshore. And they think that that creates less scrutiny because a lot of people see oh if it's offshore or we have no control over it, if it's onshore and it's in another state, that must be okay. So I know Prudential, which I follow very closely, is mostly onshore. MetLife is mostly onshore. Athene has a very, very significant offshore reinsurance operation in Bermuda, and Bermuda is better than most.

John: If I'm in New York, and we have board members in in other states. It doesn't go under my individual state if they have this contract in, like you said earlier, New Jersey or something that's her main hub. Is that where it's regulated or is it regulated in each state?

Ed: That's actually an excellent question, so the insurance company itself is regulated in their state of domicile. So Prudential is domiciled in New Jersey, MetLife is domiciled in New York, Athene, I think, is domiciled in, I want to say, Iowa.

John: I think it is Iowa.

Ed: I think I think it's Iowa. So those are the states who are the primary regulators, so they're the ones that have to approve their transactions and they're the ones who would be the right the regulator in the event of an insolvency.

John: I think a lot of people were under the assumption the minute you were transferred to the state mandate, then it going to into your state.

Ed: And it does, that's right John, for the individual. Your individual annuity certificate, your rights are governed by the state that you reside in at the time that the insurance company becomes insolvent or impaired. I know that's a mouthful. But so, for example, state guarantee association coverage will be based on where you live, when there's an impairment or insolvency.

John: But that's when it falls under your state. Ed asked if it was clear and John added: I was always under the assumption that they were regulated just by the state you live in period, not just on solvency.

Ed: No, that's unfortunately not the case because … It changes all the rules, because you're not even not you're not an owner of that contract anymore. It's not like you took out the insurance contract. You just get a certificate … So it's the regulator and their domicile kind of takes care of what they do and how they're reserved and whether or not they get put into examination and whether or not they get audited. But for you as an individual certificate holder, your rights are under state law.

Okay, so if you go to the next slide I'll talk to you about a little of the success that we've had. It's not so little, it's pretty significant because nobody else is doing it. But we passed the law in Connecticut that dealt with protecting creditors, protecting pensioners from creditors' claims. This is one of those ambiguous things where people say oh you don't have to worry about it. But the law's not clear, and so we clarified the law in Connecticut. And it basically says, to the extent that you know you're receiving benefits that were anytime covered under ERISA, creditors care can't get at it, period, full stop.

If you go to the next slide. So the things that are still needed in Connecticut that we're looking into doing now, we're really working on two key things and there's really a couple more. But there were two that we presented (*Still need protections against subsequent transfers and also need disclosures*). … in last year's session. It didn't get to the House floor, it did get through to committees, but it didn't quite get voted on last year. It was a very difficult year, obviously, to pass anything because of Covid. But we really wanted to force people to put in some protections that say hey Prudential, you can't transfer to the Eddie Stone Annuity Company, because that's not a fair risk for retirees to take on when they have no control over it. So we presented that and it got pretty far in past sessions, but we're going to revisit that again this year.

And the other thing we wanted to do is, we want to require these insurance company to disclose how these assets are invested. I don't know about every transaction because I don't always get the contract, I did get the contract in the Verizon deal. And they set up what's known as a separate account, so the pension assets that Verizon was invested in were transferred to Prudential. And they're supposed to be segregated for the benefit of the retirees of Verizon. So we asked Prudential to disclose how much was still there, how much they paid out, what changes took place, you know, actuarially year over the year. And they said 'no, we can't disclose it'. I asked why? They said 'well we're not required to'. I said 'okay, but it's a lot of money and it's supposed to be in a separate account. And the separate account was supposed to be for the benefit of the Verizon retirees. They want you to disclose it, why don't you?' And they said 'well, we're not required to, we're not disclosing it'.

John: It sounds like a GE answer,

Ed: Well, the reason they don't want to disclose it is because they don't want to say what they're invested in. Now they do disclose separate account assets in their public filings but they disclose them on a group basis. So, in other words, you can't see what's in the individual contract, you can only see all of their separate account business. And there's no way to really make heads or tails of that because you don't know what's related to the 41,000 lives that are that were in the Verizon deal. So that wasn't very satisfying. So that's one of the issues that I'm still pushing is to require them to disclose at the state level. Anything that's in a separate account, keep it simple, just break it down by asset class and any material changes and assumptions, year over year. Now, I don't think it's companies you've dealt with.

John asked if the companies that Ed deals with mainly do separate account for the pension account.

Ed: Prudential does, but they do mostly separate accounts and they offer this guarantee of the parent company. And you know, that's when I started digging into all these financial shenanigans because I was initially of the view that, you know, this isn't a bad thing. And I'm not saying it is a bad thing, but it's something that you just need to be concerned about. But if Prudential's parent company is on the hook, then you've got all this money that's in a separate account that should be sufficient. And if, for whatever reason, they blow through all that cash, you've got the guarantee of the parent company. That's certainly worth a lot of money. I mean Prudential has, you know, hundreds of billions of dollars in assets on demand. So you know that is a comfort. Unfortunately not really being able to peel back the onion and see what's there, it's hard to feel as warm and fuzzy as I would like, but it's better. it's still better to be in a separate account.

John clarified that Prudential is headquartered in New Jersey and Ed asked for the next slide.

Ed: So in Virginia, we passed the law that both protected pensioners from creditor claims across the board and also limited transfers. So that was the first time we were able to really prevent subsequent transfers without either the approval of insurance commissioner or the transferee had to be rated A or better by at least two nationally recognized rating agencies. And that was a bit of a compromise, but we still thought it was pretty good to make it. The whole idea was you can't transfer from a solvent company to an insolvent company. So that worked out pretty well and we're going to revisit this in Virginia, but probably not this year. They have a short session, so it looks like we'll be on the 2022 calendar.

If you go to the next *slide*, I don't know if any of you guys are former New Yorkers or not, but New York is a big place for the legislative standpoint I've been working. I've been working with *an* assemblyman, a body, for a long time. He's a big labor guy, he's actually a delight as a person. He's had trouble getting this to move past the insurance company, the insurance committee.

And then Andrew Gounardes, also young Senator, has signed on again this year, and it was immediately referred to the insurance committee, where unfortunately what seems to happen in New York, is they put it into the insurance company and it just doesn't go anywhere. So I reached out to the Department of Financial Services, and I said 'hey, you should be concerned about this, look at what's happening with Athene'.

Ed pointed out that New York is concerned about Athene for doing a pension risk transfer deals with New York retirees without being licensed in New York.

John: So you know, an interesting question, 70,000, how many of them are from New York.?

Ed agreed it was a good question and said that he would look it up. He added: It might not be immediately available but they'll have to do something. I'm going to ask the Department of Financial Services. I might have you ask the, John, if you don't mind. John agreed and said we are curious.

Ed: So that's what happened to New York, if you go to the next slide I'll tell you what I think is going on and where we can kind of talk about ways to have an impact. So LICONY is the Life Insurance Council of New York. And they are really the lobbying arm for the ACLI, which is the American Council of Life Insurers. They don't like the idea of disclosure by the insurance companies. And I am

really surprised about it, they continually wheel out these statistics about how insurance companies did better during the financial crisis than banks. And they use this as a justification for not disclosing. My point to them, and my point to members of congress and members of the state legislators across the country is: what's wrong with disclosure you don't have anything to hide, why not let people have some peace of mind and know how things are going? These benefits are calculated based on years and years of future payments and what they're going to earn on their assets. You can't calculate, you can't look at it - just say 'oh Prudential's a good company'. Who knows what they're going to look like in in 20 years? look what happened to AIG, look what happened to Lehman Brothers. You know it's it just doesn't make any sense, but the ACLI is the primary proponent of no disclosure and no regulation.

John pointed out that the term 'non-disclosure' raises the red flag and added: They're hiding something, there's something they're doing that they don't want us to know about.

Ed: And when I do talk to members of the legislature, they're pretty receptive to things about disclosure, they really are. So I thought it would be interesting to discuss what happened in Pennsylvania, because I know you have some union members. (Next slide)

This guy Dan Maul, proposed a bill that was really modeled after the Virginia one. It both addressed the protection for creditors and subsequent transfers the bill got pretty far along. He had plenty of co-sponsors, plenty of support on both sides, but the union opposed it.

John asked why, and Ed responded: I don't know, all I know is the AFL CIO they just posted said, 'we are opposed to de-risking'. … But once you're de-risked, what are you're going to do? You got to know if you haven't been de-risked then you're governed under ERISA. And if you didn't collectively bargain you're going to be out of luck, if they do de-risk you and our elite interests are aligned. But they refused to discuss it and they just opposed it, and their opposition was all based on they oppose de-risking. But I just thought it would be worthwhile sharing that with you guys in case that should come up again. I'm quite puzzled by it. They know the history.

John: You know the I should bring up the PDF that you sent me of all the company. If they know the history of this and the way this is going. Why, you want to put protections in case they do it.

Ed: Yeah and, by the way John, you could share that, with all the people on this call and with anybody on your board. I gave John a list of companies that I've been tracking and you know it's a who's who of America basically you'll recognize any of the names. You know, companies like United Technologies and New York Times, General Motors, Verizon, you know now GE. You know I can on and on. it's a pretty incredible list and so yeah just key, I just wanted to alert you to that because it did concern me. I'd like to fix it frankly, because I think that unions can really benefit from addressing this issue head on and not letting it get past them. Because if they don't deal with it in collective bargaining, they're going to be subject to the same reservation of rights clauses that all of you are. And the planned sponsors will make an amendment to the plan and amend the plan to kick out the retirees, including union retirees.

John agreed and Ed continued: Yeah alright so some of the other potential states that we're talking about, I'll whip through them quickly: New Jersey, Rhode Island we had some traction. Maryland, there was interest from some of our members last year, same with Delaware. Massachusetts we had a bill that was actually proposed, and then we lost the sponsor. Some of these guys, unfortunately we get a sponsor and then they lose their election. So we have to revisit it there. We haven't done anything, yet in California, but I work with a large law firm there and they're very interested in helping promote something there. And then, I was in touch with the Fiat Chrysler guys and they were very interested in proposing something in Michigan where a lot of their members are. So that's kind of what's on our agenda for the states now. Our main push is going to be in Connecticut and New York.

You know this session. And really what we're doing is we're gearing up towards next year. Our focus is divided into kind of two things, right? One is educating people in the legislature and retiree groups about why de-risking is important. And the other thing is actually taking steps to lobby the legislature and, as I explained to John, I've created a new retiree association that's designed to be national justice. And we should be getting underway, first by the end of first quarter this year and that'll be the vehicle that we're going to use with the Bell-Tel folks and with other folks strictly to do lobbying at the State level. And we're also trying to make some changes to ERISA, to hold the chief executives and the judiciary is responsible in the event that they de-risk and they get into trouble because the insurance company goes bust. One of the really interesting things under ERISA is that although it's been eroded over the years, there still is this notion of you're supposed to choose the safest available annuity provider. So when you look at a company like Athene, it's only been in business for 10 years. It's funded by a private equity fund. It doesn't have 100-year tradition of writing group annuities, right? And it has somewhat sketchy track record in terms of the way they treat they treated policyholders in the past. How did they come off is that being the safest available annuity?

John: … GE sent me something and I don't know if I forwarded it to you, about Athene's background. It was kind of touting them and you know, listening to you and then knowing about Apollo in the background and maybe some offshore stuff going on. I'm saying to myself 'yeah you know they're reputable and they don't have a long-term experience'.

Ed: Not, especially not - They don't have any experience with these retiree businesses, right? I mean they've been in business for 10 years. They bought a bunch of different *entities*; they want sticky capital. They're all about aggregating assets and their theory is, 'We can earn more on the assets than other people. So we want a lot of assets. We can have Apollo.' Most of the asset management fees that was earned from the new Athene assets went to Apollo. Now listen, as long as they do well, you'll be okay, but it's if they don't do well and it turns out they're under reserved, that's where it's an issue. And I think that people have been taking a little bit too many liberties with the reserving and that's something that could come back to haunt. And just retirees generally, because I think that the pension crisis that we face now is really a global crisis. And the answer is not to hide things. The answer is to make sure that people look out for retirees and do what they can to protect benefits that you guys earned. I know from talking to tons of folks both at Dupont and the Bell-Tel folks, I mean you guys traded, you know, higher salaries for benefit packages and now systematically your health care benefits, your pension benefits, your life insurance benefits are under siege. And

it's just, you know it's just not right. So what are the things that we're looking to do with Retirees for Justice is to force chief executives and fiduciaries to remain on the hook if they wound up stiffing retirees down the road. And one of the ways we're going to do it is to ask them to eliminate any statutes of limitations under ERISA. So the statutes of limitations are either three or six years. These pension blocks are 20, 20 30-year liability streams.

John: We don't think when they tried to claw back some money from Jeff Immelt, and they waited long enough over the three years or five years or something and they said ‘no, we're not going to do it anyway’. But they probably did it. At that point, they hesitated or delayed to that point so they wouldn't end up having an ERISA case against them. Because a lot of people feel part of their decimation of GE and the downfall of GE that's how we got hit on the health care. That was part of it. We couldn't go back after him under ERISA, you know, or try to get some money out of Jeff Immelt anyway, because of what you just said. We're just at the statute of limitations for so long.

That's right, that's right, and that's one of the things I want to change. I want to basically make it so there is no statute of limitations. It doesn't mean you automatically win, but they can't hide behind they have superior knowledge to your average retiree, right? They know what they've got coming down the pike, they’ve got actuaries working for them, all sorts of financial people. And if they do something to pad their own pockets and they put retirees at risk, they shouldn't be able to get away with it just because time passed.

John: And you know, a lot of that was in the lawsuit. I don’t know if you knew that. A lot of that on the salary side in the lawsuit. There was a lot of a history and background about everything that went on to, you know, get rid of that healthcare, starting with the salaried people. There's a lot of good history in there about that, but you can't do anything about it now anyway.

Ed: No, no, but one of the things we're going to try and do is we're going to try and change ERISA to make it so that you can't discriminate against retirees. In other words, if they're going to make changes to their plan, we're not going to be able to stop them; but you shouldn't be allowed to change the health care benefits that only impact retired folks who are not in a position to do anything about it. (Others agreed).

Brian: And this may not even apply to that, but with Social Security climbing by 2035 to be out of money, is there ever any chance at all the feds could do a de-risk on the social security?

Ed: In other words, have some sort of private public partnership, where other folks came in, or they bailed out Social Security, yes, or privatize it to 401ks? (Brian concurred).

John and Brian: Remember they talked about that strategy, and they tried to do that, in the latter part of the Bush administration and it didn't pan out.

Ed: I think that the problem is, is making the economics work right because Social Security is, you know, definitely a challenge. Look, the real problem with pension de-risking, when you look at it right now, and the reason that all these things were a big concern, is that we've lived through an unprecedented interest rate environment. So in the old days to manage a pension, all you had to do is buy a laddered bond portfolio and you match your assets and your liabilities. And it's the same

issue with Social Security, right? People are living longer than expected and the folks are earning less. And that's really the challenge both with Social Security and pensions. So I don't I don't I know that people have talked about private, public partnerships and ways to strengthen it. it's above my pay grade in terms of how to change that policy. But if I hear of anything, I'll certainly let you know.

John agreed it was up to congress.

Ed: … I'd have to be at the federal level too, because they're going to be. So that's kind of that's kind of what we're all about. I had talked to John about this Retirees for Justice and how we might collaborate. Our focus is going to be primarily on, you know, pension de-risking at the state level and working with other folks to change ERISA to protect retiree earned benefits. That's kind of the philosophy, it's very focused. We're going to face the number of the same issues and more we can work together from my standpoint, the better. A lot of times when we do introduce legislation in the states, I like to work with retirees because I find that the members of the legislature, are very receptive to constituents speaking out and contacting them. So what one of the things we're setting up as a way for us to direct, to steer people directly to the right member of the legislature on the on the issue at hand. And that's very powerful when it comes from different folks and you know you still retain your identity as GE retirees. But if we work together we'll be able to have more of an impact, I think at the state level, even if you just chime in and say 'hey I support this legislation'. Sometimes just writing a letter, when you get 1000 retirees writing it, makes a difference.

John pointed out the Retirees for Justice organization on the slide and stated that he was asked to be on the board. He added: I'm definitely considering that and matter of fact, I basically said yes. Too many responsibilities but anyway, I think this is a very, very important topic and I keep saying that every time we do a post about pension on our sister page, our newspaper, we get it such an influx of views and participation. Actually, the second issue, of course, it was healthcare when that was going on, but now it's pensions. Are they going to go after that next, you know? They're decimating our lives, taking things away from us. So we got to stay on our toes on this issue. We really have to stay on our toes, whether we're going to get good union backing with the size of the union and the troubles they're having on the CBC and all that stuff, I don't know. If there's any way, you know, legally with that or anything else we can do something to resist this and make sure they're following the letter of the law, whether it's ERISA, PBGC, or state, if they choose to go in that direction, it would de-risking. And we're going to need somebody like that, you know? We're going to need somebody like Ed, is what I'm saying. So that's the importance to me.

Ed: Well look, I appreciate that and I'd love to work with you guys, we can figure out the structure. I asked John to help out in the early stages just because, based on his experience in dealing with retiree associations. Some of this is old hat to me, some of its new. I always want to know the retiree perspective as best that I can do so I can relay it and also so when we do the messaging you know how to do it in a way that's going to get the most interest. Because that will be the most powerful way to speak to the legislature. I spoke to a couple of folks from Congress over the past two weeks they're very receptive about these issues because they know one thing, retirees vote early and they vote often very often, and they're very loyal.

John ask if it was 20% or 25% of the population. Ed added that this portion of the population is growing. There was some discussion about the growth of the retiree aged population.

Ed: And what I've learned from the retirees that I work with is pensions are important for retirees themselves. But it also has become you know, an issue for the retirees families, I know a lot of retirees who have grandkids and you know they want their pension checks coming in and they don't want to have that disrupted. You know they take a lot of retirees that I work with, some of them have made tons of money, others are lifted off their pensions. They take all forms, but nobody wants it to go away. And I think it's something that really does impact retirees and their families.

John: So you know, you go back … two years or three years that GE was 30 billion in the hole on the pension, assets covering the liabilities. And of course we got on him and everybody got on, even media, the news, you know as a black guy for GE, was one of those after things have been after Immelt again. And you know they've been putting money in but they're starting to do these actions that we're talking about, whether it's freeze or buyouts or de-risking or annuities are transferring to another. and we got to keep our eye on this. … They're struggling right now, even to get their head above water. … And if they can keep nibbling and taking away, they're going to do it for their bottom-line period. And that's why we got to watch it.

Ed: Yeah, you definitely have to watch it also. What GE did was they put a bunch of money in into what's called the pre-funding balance so it doesn't count again. It's not supposed to count against the minimum required contribution. But it's money that they're putting into the plan that should work for your benefit. The problem is, you know, under the Cares Act, and you know, because of what happened with Coleman, a lot of defined benefit plan sponsors we get a break you didn't have to contribute in 2020 at all. So what you really have to look at is what they contributed in 2021.

John: Oh, that's going to be interesting because, you know, a lot of that relies on their interest rate and their discount, right?

Ed: You know what, yeah. I mean how much they contribute, is how much they contribute, but what the valuation of the plan is the function of what discount rate they're using, what they're assuming they're going to earn on their assets and how they're discounting their future liabilities. And that's where a lot of people play some games and, unfortunately, the rules have made it easy for plan sponsors to use artificially inflated discount rates that don't reflect the true value they're required. In the 5500, to disclose what the plan would look like without using adjustments so they can use adjusted rates under what's called map 21. But they have to also report on adjusted rates so you can get a look at what it looks like adjusted and not adjusted. The purpose behind this was additionally after the financial crisis, Congress decided to give defined benefit plan sponsors a break, so they could they wouldn't have to put as much money in the pension plan. So they allow them to use what's called the segment rate. So it's a long period of time they can take an average instead of taking the past two years of discount rates. So essentially what it does, is it allows defined benefit plan sponsors to use too high a discount rate relative to what they're actually going earn. So you'll see adjusted rates and unadjusted rates.

John acknowledged he had seen that in the annual report.

Ed: That'll give you a sense of where it is, and then there's a fair market value calculation they do as well, and that's the one that I usually focus on the most.

John: Right, anybody else got any questions? You're all happy? (There were no questions.)

Ed: It was a pleasure meeting all of you, if you have any questions, please let me know. John, you can feel free to share the stuff I gave you with them about the other companies and I'm sure we'll catch up when you have a free moment.

Part 2 Regular Team Meeting

I. **Minutes & Review of Old Business** - Minutes of the 2/11/2021 meeting are now or will be posted on the website Please review the minutes to see the Old Business Motion to accept the minutes was made by Connie and Bob seconded, all in favor.

II. **Financial Report** – John showed a modified agenda with at the end of December-2020 (later corrected to the end of January): the RCB Bank— $9385.03 & Treasurer's Spreadsheet— $9511.33— Doesn't match.

Connie: What you see is what's there. I have one more check coming in or I have it up here anyways to deposit whenever I hit go to town. That's why it's not looking like it's matching right now.

John pointed out that Connie has to work on the match. He added: They usually match, but there's something going on. We've gotten reversals from Stripe and all kinds of other rigamarole. John reminded the board of past problems with Stripe.

Brian: When are we going back to PayPal?

John: We put that back in service but we didn't want to close off Stripe because we got some people that are doing recurring monthly payments.

Connie: Well there's like three. I can ask them to go to PayPal and do it there…. we have to communicate with some of the members to let them know we're going to know close Stripe out and for them to sign up with PayPal for the recurring. The problem: people are uncomfortable about PayPal.

John: There's a lot of people … they do you know I get them. I don't know if anybody else on the board gets them. But I get these emails saying this is PayPal and we need to talk to you and we need your information and it looks real and you go to this fake site that they set up and it looks real but it's not.

Rodney: If it doesn't have the H or https instead of http.

There was a discussion for awhile on scams and what was the best approach.

Connie: I don't know why maybe we could just send it well it'd be difficult if they just send it directly to the bank.

John explained he would need Matt, of GoDaddy to get that to work. Connie brought up how would she keep track of donations in her spreadsheet. John suggested there might be an online version of the spreadsheet: ought to look back into that if there's any possibility of that.

That's Connie's report, I'm good. Can I have a motion to accept the financial report, please? Motion to accept the minutes was made by Bob, Rodney seconded, all in favor.

Total Donations/Contributors

For the donations report, John presented the following:

Total Donations/Contributors so far for 2021—as of 2/4/2021 (Fundraising Drive started on Oct 20, 2020)— 98 Total Contributors/Donations to date; Total Amount = $4129.34. Breakdown: Stripe Donations— 74 Contributors, 7 PayPal Contributors – Total Both-- $2819.59; 23 Checks/Contributors (since Oct. 19, 2020)— Totaling $1253.00. With our $7500.00 Carryover + $4129.34 Donations = we have raised $11,629.34 – toward our Fundraising Goal of $15,000 for 2021.

John: If you look at go down to the like the third line with Stripe that was 55 the last time, we went up to 74. If you're going to what PayPal was there was only two or three, it's up to seven and checks was only at 15, we got 23. So we're still getting money in, and you know it's grown quite a bit.

So total we're up to $11,629 that Stripe, PayPal and check's towards our goal of $15,000. So.we're doing pretty good and then gold level and silver and all that, they keep growing. We are getting good contributions: 11 at gold level $120, 20 at silver level at 60 bucks and then, of course, all the rest are bronze and we do have a couple $12 helper ones. But that's pretty good.

III. Old Business Old business is summarized in the minutes and the video

IV. New Business

A. Initiative - Benistar

Okay, here's the update and I sent it to you in email - had to push back again. *They are* finalizing the rates with Anthem. They're still dickering and back and forth or bargaining or whatever you want to call it. CMS still has to approve anything. And then there's other legalities that we have to fulfill. They'll send us a contract, once we have all that stuff and then we get that that percentage or monthly stipend or whatever they want to call it monthly piece off every person that signs up in it. Up to $15 but they're thinking they'll be more like $10 per retiree or dependent that signs up. We'd get that money as income so we're talking about March 1 now for the marketing campaign and we're talking May 1 for the actual enrollment. You know, rolling the whole thing out, the actual people enrolling on May 1.

Connie: They're going to have our comparison ready by March 1?

John: Yes, the reviews, that's what the reviews was and I keep pounding, saying we still want those reviews. They said yeah we will once we get the Anthem rates and it's resolved, and we will do it so.

That's one of the three major initiatives obviously, Benistar, membership, growth in revenue. We keep talking about how we address that and we expect that once we start that comprehensive marketing plan, we're going to start to really bring people in, hit that big audience that's out there online and started to bring membership and revenue income. government so. We talked about the marketing plan. Now to kick off again is March 1.

John presented some statistics from the agenda:

Facts: Roughly, there are 60,000 Online Retirees/Dependents; if 20% JOIN us, that would be 12,000 New Members; if only 10% join us, that would be 6000 New Members. Of those 2 groups (12,000 Group or 600 Group join us), If ONLY 10% gave a Donation at the minimum $24.00 Annual Bronze Level—that would be an increase of revenue/income, to $28,800 (10% giving of the 12,000 New Members Group); or $14,400 (10% giving of the 6000 New Members Group).

John: we talked about these numbers, right here, what they could mean to us, even if we get 10% or 20% of the people of these population groups given at the minimal level where it could bring in an income towards our budget, you know? So hopefully, we're going to do good with that. Maybe we will do better than that, better than 20, we don't know.

B. Committee Reports

John: Okay last meeting I talked about committee reports and I put up the new committee organization chart with the committee's that are listed across the bottom. John asked for committee reports, starting with Brian.

Brian: Okay I've had two or three people contact me on some various issues, the one that I have active right now I had to send it on up to Dean (at GE). I gave him an email, and he responded back that afternoon that he would have somebody call this person from the Pension Benefits Center. So I will follow up today with an email to him to see if he's been contacted. Also there's been a lot of questions about the RRA and GEPAF (GE Pharmacy Assistance Fund). Connie wrote an email with a couple of questions that were really good that I needed answers on. And we got that, but the general questions that I sent regarding the RRA, you know, John, I think you got him and Connie, … you did too. We've got answers back from VIA, they were pretty well scrubbed. I wanted the information for myself because I'm not there yet. I need to know more about it, but I also wanted to post that into our website. So if retirees had a question, we had an updated sheet on it. Well, I got a phone call from Dean saying I can't do that right. it's professional I mean it's personal and proprietary information and that all retirees at the age of 65 will receive what they call an SPD outlining everything they' re entitled to, including the RRA, that they are eligible for it or not. I wish I could post these answers but I'm not allowed.

John: My responses is that they're getting into too much censorship, lately with us, and I don't know what this is all about. Butch Rudy has called me on a couple different occasions. Dean, with this remarks, Dean's tried this with me. I said 'Dean, if you absolutely insist that something has to be confidential or private or anything like that, when you put it in writing, you better highlight it that you don't want us to share that.' But I said, 'you know what this is getting you. You guys are going a little too far with this, a lot of stuff is in the SPD's'. And it is common knowledge, and for them to say this proprietary and confidential. I don't think so I don't legally, I would not even think so, but I'm not a lawyer, but I'm just saying. To me there's they're trying to control us a little bit here and I don't like what they're doing. You know I just don't like it. And I think I'm going to have a little seance with them Butch Rudy and Dean, and you know, I think you started giving me push back and say, 'well, you can't', and I'll say 'I'll go to Kevin Cox next because I'm not going to play this game.'

John talked about transparency and cooperation and added: when you give us something you tell us we can't use it, we can't post it we can't this and that. I just don't like the response and it's been a number of issues.

Connie: You know I've posted a letter that I received from 2015 whatever it was. It might not be enough, whatever the hell they're talking about but it's mine, so I posted it. And anybody in that timeframe that retired then can go read it, I don't care but they can't tell me, I can't share my *letter*.

John: I know if you even took a clip out of the SPD on benefits, you know, the manual. … A question came up and you'll 'say under this section of the SPD blah blah, this is the answer', and I checked it out with Brian or I checked it out with Dean, or whatever. And this is the response I got and then they're going to say write you an email and say to you Connie, you got to take that down. This what they're doing lately.

There was some back and forth between John and Connie.

Bryan: I did tell Dean that I was just wanting an updated sheet because the last one we had was from 2015. And he said where you can find that, and I said it's in our files. I said there's a lot of information in there, that people can click on, and I said this being from 2015, I'm just wanting to get a clarification to see if there's been any changes. He said 'we will give that to you for your own information and that's it it's not to be shared with anybody else.' He went on to say that those that inquiring about the RRA or the GEPAF are people who don't receive it and won't receive it and they're wanting to know more about it. So that's where the shut-off was.

Connie: But that's where it's BS, right there. Because there's a lot of people that haven't received them because they may have moved. A lot of people probably pitched them because, you know, a lot of people throw away a lot of junk mail. So they didn't receive it and they have a right to know. Because just like my question is and it's still not clear to me, even after his answer. If you don't qualify for the RRA, how do you qualify for the GEPAF? It's still to me his answer was not clear, because it kind of says there, so if you qualify for per

whatever above, and/or … What the hell is and or? It's either or. It's either you qualify or you don't. Either you qualify for it all, or you don't qualify for any of it. That's the way I interpret it. So why should John, let's say John has to get one of the plant through VIA if he's not going to qualify for the GEPAF benefit, if you will.

John: And the other restriction, I agree, I mean that that is very confusing between the two, the RRA and GEPAF and the eligibility and qualifications and all that. But the other thing is Brian is our Benefits Advocate.

John pointed out that our group is different than other groups because our members are both (formerly) salaried and union. He continued: We request that Brian gets an SPD for the salaried, so that he can deal with those benefit questions and not bother GE, if you will.

There was some more discussion on withholding information.

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John continued with the committee reports and asked Betsy next.

Betsy: I wrote the minutes and I'm going to try to post something about getting members to join *the committee* on Facebook.

John thanked Betsy and had Rodney talk next.

Rodney: From what I've heard from Ed today, it's kind of going to open up some possibilities for me to do some research on his law firm and on what he's working on and Retirees for Justice.

John: Yeah, good - please do that, actually, and let me know.

Connie: Are you going to be posting that last meeting with Ed on our website.

John: Presentation, right?

Connie: Yeah, not on Facebook

John: Yeah, I know. I won't put it on Facebook. As you people well know, that GE is watching us like a Hawk. … Listen, I don't want to sound like somebody that's paranoid here but there's so much going on here that I almost feel like GE is afraid of what we're trying to do. In other words, the group health insurance plan: I see hesitation. I even confronted Glenn about it. I said 'GE is in the background, doing something. You seem to keep postponing what's going on here.' And even though we spread out our interviews with them and did it for over a year, a lot of that was me moving. But so it took a long time and they're taking their time get things done, but I just can't see this. Two months and they still don't have the rates and they don't have things ready. I understood during open enrollment but I don't understand now. So I'm wondering what's going on. Who's resisting? I know I've talked to Kevin Cox personally, the Vice President GE, and told them up front what we're doing and

all. And I told Butch Rudy that I told him. I said ‘look I’ve already talked to Kevin about that. Why are you asking about this? You know, they say, ‘What are you doing here? People are calling, want to know what your people are doing. What’s this Benistar? What are they all about? I said, ‘Well, I’ve been upfront with you people right from the beginning, you know it's coming.’ Are they threatened by that is my bottom line. Are they threatened we're going to offer a group plan that may take something away from VIA, I don't know. Is that causing this kind of resistance with communications and with sharing materials or what we can disclose or not disclose. Are they trying to clip us a little? I just don't know what's going on, there's something going on. … I just feel like we're getting sabotaged from behind it and there's something else going on here.

Connie: Let's just be cautious, what we post everywhere, and just like that presentation from Ed. I think it needs to be probably just in the officers page for right now, not for everybody to see it, especially if Dean’s able to get into our website now. That would be kind of dumb for him to be able to see it there.

Rodney: He gets in there anyway, that's just that's just a given. They can sneak into anything they want. They got guys that could do that.

John: Or they have other people doing it for them.

Rodney: Yeah, people in our retiree group, I hate to say, there's just that, like typical bunch of suck asses that were always running up front and telling everything. What good is that doing is going? It’s going to hurt you.

Connie asked it they could get to the officer’s page.

John: Too many of these comments being made, if you notice, the other GE retiree site putting up a big banner up on top and saying that we're the largest group and we don't charge and we give you information for free. But I looked at their files, I went through the files folder there's only like five in there. So what happened to all these files that they had about different benefit things. Did they take them down because GE told them to? I don't understand what's going on.

Connie: I’ve never seen any member comment or ask if, how come we're charging. I’ve never. If anything that it refers to being charged, it's coming from a post, one of the administrators or they're putting that information out there. But I’ve never seen a member ask how come we have to pay for these for the things?

There was some more discussion about the label of charging for services.

Rodney: I’m sorry I wouldn't worry about it.When you're doing what we're doing and, for some reason we're still got growth going on, so.

Connie: We got growth and support financial support.

John: We'll see what happens once we start this marketing campaign and we start pulling people in. They get into the group here and we're going to have a lot more members; a lot more revenue. it'll have to shut them up.

Connie: You *could* start putting teasers about Ed. I mean some of the stuff that Ed has talked about, and if they want to know more information they need to go to our website, register at our website and maybe one day we can even have a membership meeting with him, with Ed, to kind of go over what he just said, maybe.

John: Again I'll get to work with that, would have been very good for the retiree REPS cross country to hear. They all brought it up at the national meeting but they, you know, they need an expert like him who knows what he's talking about. Even so many things he said today were new to me.

Connie: You know just a thought, sometime you might want to send out an invitation to all these Reps and show them that video (the presentation) on zoom. There was some discussion on this topic.

John went back to committee reports, this summarized on finance: Connie, you make a report every month so really other than Stripe and PayPal what's best making a final decision, which we'll get to straighten that out.

C. Meeting Dates

John: And that's, the main thing alright so there's all your meeting dates going forward folks did your interest with demonic gallon during the January a minister at day.

John summarized Benistar, getting the rates, the March 1 start date, the marketing plan and the reports for Charlie and Connie and his concern that GE is holding Benistar back. Connie pointed out that it might be the lack of people. She also thought Ed would be good for the group. John agreed.

V. **Adjourn** – Connie made motion to end the meeting and Rodney seconded, all in favor. The meeting ended at 12:51