

Wednesday, March 21, 2018

5:00pm - 7:30pm

Seyfarth Shaw LLP | 233 South Wacker Drive | Suite 8000 | Chicago, IL 60606

The Fiduciary Role Directors Ignore at their Peril: Employee Retirement Plans



Speaker

Brad Mautner
Board member
and former CEO
of Perma Pipe Int'l
(NASDAQ:PPIH)



Speaker

Liz Levy-Navarro
Board Member and
CEO, Orrington
Strategies LLC



Speaker

James Holland
Director, Millennium
Investment Advisors



Speaker

Jon Karelitz
Partner, Seyfarth Shaw LLP



Moderator

Mark Zorko
Principal, Brentwood
Advisory Group

Upcoming Events

DATE	TIME	EVENT	LOCATION
Wednesday, March 21, 2018	5:00 - 7:30pm	Monthly Meeting	Seyfarth Shaw LLP
Wednesday, April 25, 2018	5:00 - 7:30pm	Monthly Meeting	Synergy Law Group - PNC Bank University Club
Wednesday, May 23, 2018	5:00 - 7:30pm	Monthly Meeting	Grant Thornton
Wednesday, June 20, 2018	5:00 - 7:30pm	Monthly Meeting	Bank of America
Thursday, August 09, 2018	11:30am - 6:30pm	Annual Golf Outing	Rolling Green Country Club

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Speaker: Brad Mautner | Board member and former CEO of Perma Pipe Int'l (NASDAQ:PPIH)

Brad Mautner's career reflects substantial accomplishments leading, running operations and in corporate governance for both private and public companies. From an operational leadership standpoint, Brad has been instrumental in developing and driving strategic and tactical business plans while instituting financial, operational, and management processes to drive business results. His career began in 1978 with Midwesco, Inc. the predecessor company of MFRI, Inc.

MFRI was a public holding company that owned operating subsidiaries which designed and manufactured custom industrial products in filtration, specialty piping, process cooling equipment and installation of mechanical systems for commercial buildings. He led a series of transactions to reposition the company to focus on the specialty piping systems business

which is now Perma Pipe International Holdings (NASDAQ: PPIH) where he continues as a Board member. Brad served as President and Chief Executive Officer of MFRI, Inc. from 2013 to 2016 and was President and COO since 2004. He was a member of the investment and oversight committee for the companies 401k and defined benefit pension plans.

In addition to work at MFRI and PPIH, Brad served on a number of committees and boards of charitable organizations as well as the board of a private, closely held family business and a startup in the InsureTech space. Brad earned his Masters of Business Administration from Washington University in St. Louis where he also earned his Bachelors of Science degree in Mechanical Engineering.



Speaker: Liz Levy-Navarro | CEO, Orrington Strategies, and Board Member

Liz Levy-Navarro is CEO of Orrington Strategies, and a Board Member of three mid-market private companies, Gold Eagle Company, Alper Services and Burke Distributor Holdings. She is a value creation and investment expert who works with Fortune 500 insurance, investment management, banking, and consumer products leaders to help them grow their businesses and brands. Liz was honored as a 2017 "Directors to Watch" in the Private Company Director, a leading board governance magazine.

Liz holds a MBA in Finance from the Wharton School, University of Pennsylvania, and a BBA in Marketing from University of Michigan. She has also served as an Investment Fiduciary for Orrington's 401k, profit sharing and defined benefits plans.



Speaker: James Holland | Director, Millennium Investment Advisors

James Holland is a partner, Assistant Compliance Officer and Director of Business Development for Millennium Investment & Retirement Advisors LLC. He has over 27 years of experience in the Investment and Benefits business. James oversees the Retirement Plan practice building program MIRA has developed for its outside Advisor partners. In addition he helps to coordinate the ERISA Audit partnering program which MIRA has launched for CPA firms nationwide. He is one of the inventors of the PlanGrader, a patent pending independent assessment program that is used to help

fiduciaries better understand the responsibilities and liabilities of running a retirement plan. James has spoken at ASPPA, NAPA, Vistage and SHRM chapters and conferences in NY, OH, NC, SC, GA, FL, VA. James and MIRA do extensive work assisting plan sponsors with regard to plan issues and corrections with the I.R.S. and Department of Labor.



Speaker: Jon Karelitz | Partner, Seyfarth Shaw LLP

Jon Karelitz is a partner at Seyfarth's Employee Benefits & Executive Compensation Department. Jon helps employers develop and manage legally compliant benefit programs that are aligned with business and employee relations goals. He collaborates with his clients to craft practical solutions to strategic and operational challenges regarding retirement plans, group health plans, and executive compensation arrangements. He also

advises investment committees and plan fiduciaries on the legal implications of all types of managed investments. Jon regularly trains fiduciaries and HR teams on best practices under ERISA, HIPAA and other laws. In addition, he regularly advises clients regarding reductions-in-force and plant closings, and prepares severance plan documents, employee agreements and disclosures under the Older Workers Benefit Protection Act.



Moderator: Mark Zorko | Principal, Brentwood Advisory Group

Mark Zorko is in the Board and Chair of the Nominations/Governance Committee of Perma Pipe Int'l Holdings (NASDAQ: PPIH). He is also on the Board and Chair of the Audit Committee for Westell Technologies (NASDAQ: WSTL).

Mark has been a public company CFO and CIO for manufacturing, service, health care and high-tech firms. His background includes over 20 years of Board experience. He has also been the interim CEO of Well Services Ltd.

Mark recently launched a new business, Brentwood 401(k), LLC., www.brentwood401k.com, to provide middle market firms with 401(k) plan

advisory services, from the perspective of a former CFO. Brentwood 401(k) is partnered with several firms which provide comprehensive ERISA Section 3(38) fiduciary responsibility to companies as well as a low-cost suite of passive or indexed-based investment selections.

He also serves on the Audit Committee for Opportunity International and was previously on the Board of St. Alexius Medical Center.

Mark is a CPA. He received his MBA in IT from the University of Minnesota and his BS in Accounting from The Ohio State University.

Meeting Takeaways

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James Holland
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Was Not Able to Attend



Speaker

Jon Karelitz
Partner, Seyfarth Shaw LLP



Moderator

Mark Zorko
Principal, Brentwood
Advisory Group

Agenda

1. What is the “so what”? Why are we here? Why is this topic important?
2. Review of case study. Poor plan performance is very common and easy to determine.
3. Best practices for plan oversight and risk management.
4. There is rarely much if any training for fiduciaries
5. In short, this is a recipe for potential harm to beneficiaries and personal exposure of fiduciaries
- b. Follow and document the processes set forth in the investment policy statement.
- c. Conduct investment committee meetings, keep minutes and make sure members have ERISA training.

Why are we here?

1. Approximately \$7 trillion in employee retirement assets are invested in 401(k)/403(b) (for nonprofits) plans; this is a big deal for employees, their employers and society
2. ERISA fiduciaries (typically in the form of the employer’s investment committee members) have a legal duty to act prudently and in the best interests of beneficiaries; invested funds belong to beneficiaries (employees), not the company
3. There is a very active plaintiffs’ bar in the US pursuing alleged ERISA violations by fiduciaries (including CFOs, VPs of HR and other employees typically tasked with ERISA plan administration)

Case study

1. Performance of 401(k) plans is publicly available and can be benchmarked using tools such as www.fundlag.com and Morningstar financial data
2. Using publicly available data, the case study showed that the applicable plan dramatically underperformed as compared to benchmarks
3. This is dangerous territory for ERISA plan fiduciaries and exposes them to risk of litigation and potential personal exposure
2. Boards and CEOs should ask if the Company plans are ERISA compliant and managed in the employees’ best interest. Does fiduciary liability rest with the investment committee or has it been outsourced to an investment manager?
3. Expect your plan advisor to build and maintain a dashboard of vital signs for the plan including operational, legal and financial matters. Treat the plan like you would a business unit.

Best Practices

1. Develop an investment policy statement
 - a. Design the plan and plan options keeping in mind the least informed participant/beneficiary of the plan.
2. Boards and CEOs should ask if the Company plans are ERISA compliant and managed in the employees’ best interest. Does fiduciary liability rest with the investment committee or has it been outsourced to an investment manager?
3. Expect your plan advisor to build and maintain a dashboard of vital signs for the plan including operational, legal and financial matters. Treat the plan like you would a business unit.
4. Educate employees on investment options. Consider how opt-in versus opt-out mechanisms will impact outcomes for typical employees.
5. Benchmark plan performance every 2-3 years.