



NATIONAL AUTOMATIC SPRINKLER INDUSTRY

WELFARE FUND • PENSION FUND

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MICHAEL W. JACOBSON, Administrator

December 12, 2018

To: NASI Retirees and Beneficiaries Who Receive Their Pension Benefit by Direct Deposit

From: Michael Jacobson, Fund Administrator

As many of you are aware, your NASI Pension Fund benefit was not deposited in your bank account on the last day of November as was expected and intended. My hope in writing this explanation to you is that you may have complete confidence in the NASI Pension Fund.

November 30th fell on a Friday. Monthly pension benefits were expected to be deposited into accounts that day. The Fund Office became aware that there was a problem that morning when we began to be contacted by retirees. Our investigation revealed that our transmission of the pension data file went to the bank earlier that week in a timely way (on Wednesday morning), and that file was confirmed as "approved" on the banking system for crediting to individual accounts as of Friday, November 30, 2018. Since it was clear that the process of sending the benefit money to individual bank accounts was not completed by the bank, we contacted our bank to investigate the cause of the failure.

The result of the investigation was the discovery that the custodian bank failed to follow a NASI Pension Fund directive to transfer money from the custodial account to the bank account in a timely manner. The transfer was completed by early afternoon on Friday and the bank confirmed that the pension data file was then immediately processed. However, by that time, it was too late for most of your accounts to be credited by your bank that day. By Monday, December 3rd, I believe everyone had received their monthly benefit for November.

I am sincerely disappointed that you failed to receive your promised pension benefit on November 30th as you have every reason to expect you would. We have expressed our disappointment to both our custodian bank (that failed to perform their task in a timely manner) and also to our commercial bank that failed, in my opinion, to give any special attention to the situation that caused their system to reject our pension benefit file - a file that represents our reason for existence - to pay monthly pension benefits to retired sprinkler fitters and their beneficiaries. Be assured that we have taken steps to make sure that something like this never happens again. We will continue to consider what additional steps may be necessary and appropriate.