

FORM LM-20

AGREEMENT AND ACTIVITIES REPORT



This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440. Required of persons, including Labor Relations Consultants and Other Individuals and Organizations, Under Section 203(b) of the Labor-Management Reporting and Disclosure Act of 1959, as amended. (LMRDA)

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.

534248

1. File Number: C- 00525

Person Filing

2. Name and mailing address (include ZIP Code):

Name Donald Wilson
Title CEO
Organization LRI Consulting Services, Inc.
P.O. Box, Bldg., Room No., if any
Street 7850 South Elm Place, Suite E
City Broken Arrow
State Oklahoma ZIP Code + 4 74011

3. Any other address where records necessary to verify this report are kept:

Name
Title
Organization
P.O. Box, Bldg., Room No., if any
Street
City
State ZIP Code + 4

4. Date fiscal year ends:

Dec / 31

5. Type of person:

a. ☐ Individual b. ☐ Partnership c. ☒ Corporation d. ☐ Other (Specify):

Nature of Agreement or Arrangement

6. Full name and address of employer with whom made (include ZIP Code):

Name
Organization LG Chem Michigan Inc
Trade Name, if any
P.O. Box, Bldg., Room No., if any
Street 1 LG Way
City Holland
State MI ZIP Code + 4 49423

7. Date entered into:

8 / 6 / 2013

8. Name of person(s) through whom made:

Name Jeremy Hagemeyer
Name
Name
Name
Name

Signatures

Each of the undersigned declares, under penalty of perjury and other applicable penalties of law, that all of the information submitted in this report (including the information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned's knowledge and belief, true, correct, and complete. (See Section VII on penalties in the instructions.)

13. Signed

President
(If other title, see
instructions)

Title CEO

14. Signed

Treasurer
(If other title, see
instructions)

Title President

On 8/29/2013
Date

918-455-9995
Telephone Number

On 8/29/2013
Date

918-455-9995
Telephone Number

9. Check the appropriate box to indicate whether an object of the activities undertaken, is directly or indirectly:

- a. ☒ To persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing.
- b. ☐ To supply an employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding.

10. Terms and conditions (Explain in detail; see instructions. Written agreements must be attached.):

See Attached

Specific Activities to be Performed

11. For each activity, separately list in detail the information required (See instructions):

a. Nature of activity:

Engaged to communicate to employees regarding exercising their rights to organize and bargain collectively.

11.b. Period during which performed:

various days beginning 8/6/13

11.c. Extent performed:

Fully Performed

11.d. Name and address through whom performed:

Name Patrick O'Mara

Organization OMara & Associates LLC

P.O. Box, Bldg., Room No., if any

Street 6 Drakewood Lane

City Novato

State CA ZIP Code + 4 94947

Additional Name and address through whom performed, if any:

Name

Organization

P.O. Box, Bldg., Room No., if any

Street

City

State ZIP Code + 4

12.a. Identify subject groups of employees:

Production and maintenance employees

12.b. Identify subject labor organizations:

Auto Workers



Proposal

August 6, 2013

Jeremy Hagemeyer, Human Resources Manager
LG Chem Michigan Inc.
1 LG Way
Holland, MI 49423

616-422-8933
jhagemeyer@lgchem.com

RE: Petition 7-RC-109569

Situation Assessment

You have asked for a proposal to provide materials and consulting services to help you win your upcoming NLRB election. You have a few short weeks to educate your employees on the disadvantages of unions and convince them to put their trust in a direct relationship with you as opposed to an outside third party like the union. You want to make sure that your consulting is persuasive, legally sound and provides the best opportunity to build trust with your employees.

Proposed Intervention(s)


Campaign Consulting: For this option we will provide expert campaign consulting with an on-site facilitator to communicate your message directly to employees in employee meetings and one-on-one. Our consultant will work with managers and supervisors at your location to increase your own internal capacity for handling employee relations issues after the campaign is over. Based on our joint assessment of the need, we will assign appropriate consulting resources to your campaign for a pre-approved schedule of meetings.

Objectives

- Win the NLRB election by as wide a margin as possible or achieve a withdrawal of the petition, without meritorious election objections or unfair labor practice charges.
- Increase trust and credibility of the current leadership team by improving communication and developing their ability to create a positive employee relations environment.
- Maintaining a direct-relationship at your facility (unionized facilities are less productive and profitable than direct relationship ones - the estimated "dead weight cost" of unionization around 25% more than the cost of operating non-union).

Value to Organization

- You avoid a steep-and slippery-learning curve and are free to do the most important trust-building work.
- You can talk to employees without engaging in "mud-slinging." You are free to spend your time on a positive message about the company.
- Your communication strategy is legally proven and sound. Our communication tools have never been found to be objectionable by the NLRB in thousands of elections.
- You receive a proven program, with over 10,000 successful client engagements.

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7850 S. Elm Place • Suite E
Broken Arrow, OK 74011



Terms and Conditions

The fee for the Partially Guaranteed Option is a project price of \$69,000 (plus expenses) which assumes approximately 23 days of consulting. Should additional days of consulting be requested by the client it is understood those additional days will be billed at our customary rate of \$2,750 per day and added to the project price. \$24,150 of the fee is an incentive fee guaranteeing an election win. This agreement covers consulting up to and including the initial election date (September 6, 2013) directed or stipulated to by the company and the union. For purposes of this agreement, an 'election win' is defined as a withdrawal of the petition or a win at the ballot box, and an election loss is defined as a certification by the NLRB that the union was selected as representative of your employees. Should the election date be extended beyond this date for any reason whatsoever, the parties agree to enter into another agreement for additional consulting or to pay for additional consulting days at our customary rate of \$3,000 per consultant per day. Should the client fail to schedule additional consulting days on a mutually agreeable schedule the parties understand and agree that the initial retainer fee shall become nonrefundable and due to LRI. Travel expenses and any additional consulting days beyond the election date in this agreement will be billed separately and are not subject to the guarantee. For purposes of this proposal a consulting day means each calendar day worked by each consultant. If more than one consultant is working on your case the parties understand and agree that multiple consulting days may be worked on each calendar day.

Payment Terms

For the Partially Guaranteed Option we require a 50% retainer due upon acceptance of the proposal. We will apply that retainer to the project price. Based on the vote count and in the event of a "win," you agree to pay the balance of the project price plus a bonus of \$6,900 within 7 days of the NLRB election. Should your company lose the NLRB election, you will not owe the remainder of the project price. however you will still be obligated to pay any reasonable travel expenses incurred by the consultant. Any expenses incurred by consultant will be billed to you and are due upon receipt and you agree to settle those statements within 7 days. You agree and acknowledge that failure to pay fees or expenses associated with this project under these terms will result in reassignment of consultant(s), a penalty of the maximum allowable interest rate per month plus any costs we incur to collect an outstanding balance, until all outstanding invoices are paid in full.

It is further understood that all materials included in or with the above referenced items or programs are fully covered and protected by federal copyright laws. Federal law provides civil and criminal penalties for the unauthorized reproduction, distribution or exhibition of protected products. Criminal copyright infringement is investigated by the FBI and may constitute a felony penalty of up to five years in prison and/or a \$250,000 fine.

You further acknowledge that no representation by LRI or its representatives were relied on by you or any member of your company in entering this agreement, and that this document represents the full understanding of the parties. You also acknowledge and agree that we have informed you of the obligation to report any direct persuader activity performed on your behalf to the United States Department of Labor by both our firm and your firm and that failure to timely file these reports can subject your company criminal penalties. Your payment, in the absence of your signature below, indicates your acceptance of this project and the terms and conditions as stated herein. The terms and conditions on this proposal are good for 90 days from the date on this proposal unless specified otherwise. The parties

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www.LRIonline.com

agree that Oklahoma law governs any dispute between them and to resolve any disputes by arbitration in Tulsa, Oklahoma under the American Arbitration Association rules.

Acceptance

We accept the proposal above and the intervention(s) selected:

 Campaign Consulting

For LRI Consulting Services, Inc.



Phillip B. Wilson, President/General Counsel

Date: August 6, 2013

For LG Chem Michigan Inc.



Jeremy Hagemeyer, Human Resources Manager

Date: 8/13/13

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