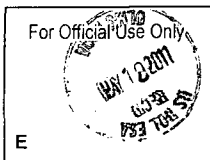


FORM LM-20

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.

459742

1. File Number: C- 00525

Person Filing

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

Name

Title

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 Kenneth Smith Inc

Trade Name, if any

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

Street 2596 Detroit Road

City Niles

State Michigan ZIP Code + 4 49120

7. Date entered into:

4 / 26 / 2011

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

Name Ken Smith

Name

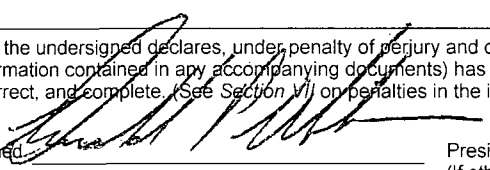
Name

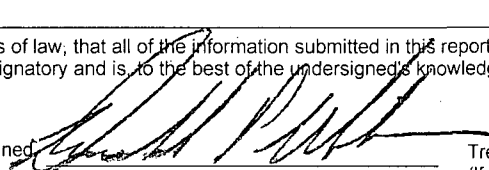
Name

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 President

14. Signed  Treasurer
(If other title, see instructions)
Title Treasurer

On 5/11/2011 918-455-9995
Date Telephone Number

On 5/11/2011 918-455-9995
Date Telephone Number

Filer: LRI Consulting Services Inc	File Number C- 00525
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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 4/27/11	11.c. Extent performed: Fully Performed
11.d. Name and address through whom performed:	Additional Name and address through whom performed, if any:
Name	Name
Organization SEO Solutions LLC	Organization
P.O. Box, Bldg., Room No., if any	P.O. Box, Bldg., Room No., if any
Street 4613 E 13th Street	Street
City Tulsa	City
State Oklahoma ZIP Code + 4 74112	State ZIP Code + 4
12.a. Identify subject groups of employees: Drivers	12.b. Identify subject labor organizations: Teamsters



PROPOSAL

TO: Ken Smith
President
Kenneth Smith, Inc.
2596 Detroit Road
Niles, MI 49120-9476

April 26, 2011

(269) 684-5960/office
(574) 302-2303/cell
7-RC-23423

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: We will provide campaign communication materials and a campaign consultant who will speak directly with your employees to educate them about the disadvantages of unions.

OBJECTIVES: Our objectives for this project include:

- 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 (a unionized facility is normally less productive and profitable than a direct relationship one – most estimates place the “dead weight cost” of unionization around 25% more than the cost of operating non-union).

MEASURES OF SUCCESS: Our metrics will include:

- The vote outcome (or the withdrawal of the petition).

VALUE TO THE ORGANIZATION: The value to your company includes:

- You receive a program that is persuasive and proven, with thousands of election wins;
- You avoid a steep—and slippery—learning curve and are free to do the most important trust-building work. You can persuade your employees with an educational message and without engaging in “mud-slinging” – you will be able to communicate a positive message about the company.

METHODOLOGY AND OPTIONS:

Guaranteed Consulting - 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 for the duration of your campaign.

TERMS AND CONDITIONS:

OPTION 1 is a project price of \$35,000 (plus expenses). This fee includes a nonrefundable \$5,000 communication tools fee for videos, data and other support materials. The remainder of the fee guarantees an election win. 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. This agreement covers consulting up to and including the initial election date

(May 19, 2011) directed or stipulated to by the company and the union. 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.**

Payment Terms: 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 within 7 days of the NLRB election. Should your company lose the NLRB



LRI Consulting Services

phone 800-888-9115
fax 918-455-9998

www.LRIonline.com

election, LRI will refund the initial retainer payment paid within 7 days. Any additional customary and reasonable business expenses incurred during a calendar week by the consultant(s) will be billed to you the following week for review and you agree to pay those invoices with 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 parties agree that Oklahoma law governs any dispute between them and to resolve any disputes by arbitration in Tulsa, OK under the American Arbitration Association rules.

ACCEPTANCE:

We accept the proposal above.

For LRI Consulting Services, Inc.

Kenneth Smith, Inc.

Phillip B. Wilson
President - General Counsel

Ken Smith
President

DATE: April 26, 2011

DATE: April 26, 2011