



The plaintiff and defendants have agreed to resolve all matters in controversy in this action between them (except for the imposition by Plaintiff of any penalty pursuant to ERISA §502(l), 29 U.S.C. §1132(l), and any proceedings related thereto), and said parties do now consent to entry of a Consent Order and Judgment by this Court in accordance therewith.

The parties agree that, if the Secretary assesses a penalty pursuant to ERISA §502(l) in connection with the violations alleged in this matter, the “applicable recovery amount” shall include all amounts paid in accordance with this Consent Order and Judgment.

The parties agree that pursuant to 11 USC § 704(a)(11), John A. Hedback, the appointed bankruptcy trustee in the Sister Rosalind Bankruptcy proceeding, is an ERISA fiduciary to the Plan.

Defendant Fahlander remitted \$5,365.62 to the Plan on May 1, 2014, by sending a check to Principal Financial Group, the Plan’s asset custodian, with written allocation instructions directed to the Plan, as a partial restoration of losses suffered by the Plan. Defendant Hanson remitted \$278.00 to the Plan on April 18, 2014, by sending a check to Principal Financial Group, the Plan’s asset custodian, with written allocation instructions directed to the Plan, as a partial restoration of losses suffered by the Plan. Defendant Fahlander and Hanson’s written allocation instructions directed the Plan asset custodian to allocate the \$5,365.62 and the \$278.00 restored to the Plan pursuant to column A listed in the attached Exhibit 1, which lists the Plan participants/beneficiaries who: (1) were employees of Sister Rosalind, (2) Plan participants during the period of November 20, 2007 through May 10, 2008, and (3) had voluntary employee contributions or participant loan repayments withheld from their pay for contribution to the Plan during this period and such contributions were not remitted to the Plan.

Upon consideration of the record herein, and as agreed to by the parties, the Court finds that it has jurisdiction to enter this Consent Order and Judgment.

IT IS THEREFORE ORDERED that:

1. Defendants Fahnländer and Hanson are permanently enjoined and restrained from violating the provisions of Title I of ERISA, 29 U.S.C. §1001 *et seq.*
2. Defendant Fahnländer, on May 1, 2014, restored \$5,365.62 to the Plan.
3. Defendant Fahnländer shall be liable to the Plan for an additional \$20,743.75 and shall restore this amount to the Plan on May 14, 2014, by issuing a check in the name of the Plan to "Principal Financial Group" at P.O. Box 9394, Des Moines, Iowa, 50306 along with written allocation instructions directed to the Plan (Account no. 801212) pursuant to column B listed in the attached Ex.1.
4. By May 21, 2014, Defendant Fahnländer shall provide the Regional Director of the Employee Benefits Security Administration, United States Department of Labor, 2300 Main Street, Suite 1100, Kansas City, MO 64108 ("EBSA Regional Director") and John A. Hedback with satisfactory documentary proof of the restoration to the Plan described in Paragraph 3 above.
5. John A. Hedback, on behalf of the Plan, shall verify that the monies described in Paragraph 3 above are properly deposited in the Plan accounts pursuant to Column B of Ex.1.
6. Defendant Hanson, on April 18, 2014, restored \$278 to the Plan.
7. Defendant Hanson shall be liable to the Plan for an additional \$2,222 and shall restore this amount to the Plan by issuing monthly checks in the name of the Plan to "Principal Financial Group" at the address listed in paragraph 3 above along with written allocation instructions directed to the Plan (Account no. 801212) which allocate the monies pursuant to

Column C of Ex. 1 on a pro rata basis until all losses have been restored and in accordance with the schedule set forth below:

a. Restoration to the Plan of \$277.75 per month for eight (8) consecutive months commencing on May 3, 2014 and continuing to December 3, 2014; and,

b. Nothing herein shall prevent Defendant Hanson from making restoration to the Plan on an accelerated basis.

8. Defendant Hanson shall provide the EBSA Regional Director and John A. Hedback with satisfactory documentary proof of the restoration described in Paragraph 7 above within seven (7) calendar days of making each payment.

9. Should Defendant Hanson fail to restore the Plan losses set forth in Paragraph 7 above, on or before the dates set forth therein, the entire amount of the balance remaining shall become due and payable immediately by him together with post-judgment interest pursuant to 28 U.S.C. §1961 with no further notice or demand required by plaintiff to defendant.

10. John A. Hedback, on behalf of the Plan, shall verify that the monies described in Paragraph 7 above are properly deposited in the Plan accounts pursuant to Column C of Ex. 1.

11. Defendants Fahnlander and Hanson shall notify the EBSA Regional Director within seven (7) days of any change of their name, residence, telephone number, mailing address or employment until the full amounts recited in this Consent Order and Judgment are restored.

12. John A. Hedback, shall provide the EBSA Regional Director with satisfactory documentary proof that he has taken the actions described in Paragraphs 5 and 10 above within seven (7) calendar days following the receipt of the payments.

13. John A. Hedback, acting in his official capacity as the Bankruptcy Trustee of Defendant Sister Rosalind, shall initiate the termination of the Plan in accordance with ERISA and Plan documents.

14. Upon entry of this Consent Order and Judgment, Defendant Fahlander shall be immediately and permanently enjoined from serving or acting as a fiduciary or service provider with respect to any employee benefit plan subject to ERISA.

15. Each party agrees to bear his or its own attorneys' fees, costs, and other expenses incurred by such party in connection with any stage of this proceeding to date including, but not limited to, attorneys' fees which may be available under the Equal Access to Justice Act, as amended.

16. The Court shall maintain jurisdiction over this matter only for purposes of enforcing this Consent Order and Judgment.

17. Nothing in this Order is binding on any government agency other than the United States Department of Labor.

DATED: \_\_\_\_\_

\_\_\_\_\_  
DONOVAN W. FRANK  
UNITED STATES DISTRICT JUDGE

The parties hereby consent to the entry of this consent order and judgment:

**FOR THE SECRETARY OF LABOR**

**M. PATRICIA SMITH**  
Solicitor of Labor

**CHRISTINE Z. HERI**  
Regional Solicitor



**MARK H. ISHU**  
Attorney

DATED: 4/28/14

Attorneys for **THOMAS E. PEREZ**,  
Secretary of Labor, United States  
Department of Labor

**P.O. ADDRESS:**

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**FOR THE DEFENDANTS:**

\_\_\_\_\_  
**PETER FAHNLANDER**

DATED: \_\_\_\_\_

\_\_\_\_\_  
**LARRY HANSON**

DATED: \_\_\_\_\_



**SISTER ROSALIND GEFRE  
EMPLOYEE RETIREMENT PLAN**  
By: John A. Hedback, Bankruptcy Trustee

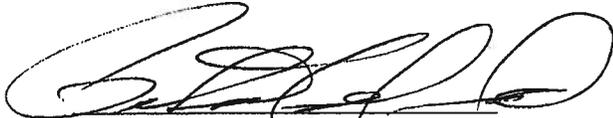
DATED: April 18, 2014



**SISTER ROSALIND GEFRE  
SCHOOLS & CLINICS OF  
MASSAGE, INC.**  
By: John A. Hedback, Bankruptcy Trustee

DATED: April 18, 2014

**FOR THE DEFENDANTS:**



**PETER FAHNLÄNDER**

DATED: 4/23/2014

\_\_\_\_\_  
**LARRY HANSON**

DATED: \_\_\_\_\_

\_\_\_\_\_  
**SISTER ROSALIND GEFRE  
EMPLOYEE RETIREMENT PLAN**  
By: John A. Hedback, Bankruptcy Trustee

DATED: \_\_\_\_\_

\_\_\_\_\_  
**SISTER ROSALIND GEFRE  
SCHOOLS & CLINICS OF  
MASSAGE, INC.**  
By: John A. Hedback, Bankruptcy Trustee

DATED: \_\_\_\_\_

**FOR THE DEFENDANTS:**

\_\_\_\_\_  
**PETER FAHNLANDER**

DATED: \_\_\_\_\_

  
\_\_\_\_\_  
**LARRY HANSON**

DATED: April 17, 2014

\_\_\_\_\_  
**SISTER ROSALIND GEFRE  
EMPLOYEE RETIREMENT PLAN**  
By: John A. Hedback, Bankruptcy Trustee

DATED: \_\_\_\_\_

\_\_\_\_\_  
**SISTER ROSALIND GEFRE  
SCHOOLS & CLINICS OF  
MASSAGE, INC.**  
By: John A. Hedback, Bankruptcy Trustee

DATED: \_\_\_\_\_

## EXHIBIT 1

Column A = Lost Earnings Amounts Paid on May 1, 2014 by Fahlander and Hanson

Column B = Principal Amounts to be Paid by Fahlander on May 14, 2014.

Column C = Remaining Lost Earnings Paid in Monthly Installments by Hanson

<u>Employee</u>	<u>A</u>	<u>B</u>	<u>C*</u>	<u>Total Owed to EE's</u>
Baines, Celeste	\$114.94	\$422.48	\$45.25 (\$5.66 for 8 months)	<b>\$582.68</b>
Beyer, Alyssa	\$901.39	\$1,107.78	\$118.66 (\$14.83 for 8 months)	<b>\$1,527.83</b>
Brausen, Kurt	\$806.87	\$2,965.73	\$317.68 (\$39.71 for 8 months)	<b>\$4,090.27</b>
Caryl, Christine	\$173.35	\$637.16	\$68.25 (\$8.53 for 8 months)	<b>\$878.76</b>
Christopherson, Tamm	\$104.61	\$384.52	\$41.19 (\$5.15 for 8 months)	<b>\$530.32</b>
Dunn, Bill	\$337.39	\$1,240.12	\$132.84 (\$16.60 for 8 months)	<b>\$1,710.36</b>
Elchten, Katrina	\$98.05	\$360.38	\$38.60 (\$4.83 for 8 months)	<b>\$497.02</b>
Fahlander, Peter E	\$332.13	\$1,220.78	\$130.77 (\$16.35 for 8 months)	<b>\$1,683.67</b>
Figallo, Anita	\$780.86	\$2,870.12	\$307.44 (\$38.43 for 8 months)	<b>\$3,958.41</b>
Glandt, Miranda	\$235.73	\$866.45	\$92.81 (\$11.60 for 8 months)	<b>\$1,194.99</b>

Han, Corey D	\$106.27	\$390.62	\$41.84 (\$5.23 for 8 months)	<b>\$538.74</b>
Hanson, Lawrence	\$85.42	\$313.96	\$33.63 (\$4.20 for 8 months)	<b>\$433.01</b>
Heinzen, Shawn	\$160.55	\$590.14	\$63.21 (\$7.90 for 8 months)	<b>\$813.90</b>
Henning, Alyson	\$97.97	\$360.11	\$38.57 (\$4.82 for 8 months)	<b>\$496.66</b>
Johnson, Gayle	\$162.60	\$597.67	\$64.02 (\$8.00 for 8 months)	<b>\$824.29</b>
King, Steven	\$130.05	\$478.03	\$51.20 (\$6.40 for 8 months)	<b>\$659.29</b>
Latterell, Pam	\$81.57	\$299.81	\$32.11 (\$4.01 for 8 months)	<b>\$413.49</b>
Lentsch, Sherry	\$130.36	\$479.14	\$51.32 (\$6.42 for 8 months)	<b>\$660.82</b>
Maudal, Jennifer	\$86.54	\$318.07	\$34.07 (\$4.26 for 8 months)	<b>\$438.68</b>
Nitschke, Elizabeth	\$91.03	\$334.59	\$35.84 (\$4.48 for 8 months)	<b>\$461.46</b>
Orvis, Rebekah (Orvis-Dodge)(Dodge)	\$47.47	\$174.49	\$18.69 (\$2.34 for 8 months)	<b>\$240.66</b>
Reich, Kay	\$442.24	\$1,625.48	\$174.12 (\$21.76 for 8 months)	<b>\$2,241.84</b>

Schauer, Desray	\$112.32	\$412.85	\$44.22 (\$5.53 for 8 months)	<b>\$569.39</b>
Short, Ann F	\$368.51	\$1,354.49	\$145.09 (\$18.14 for 8 months)	<b>\$1,868.09</b>
Thesing, Cheryle	\$123.58	\$454.25	\$48.66 (\$6.08 for 8 months)	<b>\$626.49</b>
Thorseth-Sutton, Ann	\$131.82	\$484.52	\$51.90 (\$6.49 for 8 months)	<b>\$668.24</b>
	\$5,643.62	\$20,743.75	\$2,222.00	

**Total:**

**\$28,609.37**

\*Monthly amounts serve only as guidance and need to be adjusted to ensure losses are accurately restored.