

**UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD**

**LME, INC. AND LAKEVILLE MOTOR EXPRESS,
AS ALTER EGOS**

and

Case 18-CA-192154

TEAMSTERS LOCAL UNION NO. 120

**LME, INC. AND LAKEVILLE MOTOR EXPRESS,
AS ALTER EGOS**

and

Case 18-CA-192772

TEAMSTERS LOCAL UNION NO. 662

**LME, INC. AND LAKEVILLE MOTOR EXPRESS,
AS ALTER EGOS**

and

Case 18-CA-192781

TEAMSTERS LOCAL UNION NO. 695

DECISION AND ORDER

Statement of the Cases

On January 11, 2019, LME, Inc. (the Respondent), International Brotherhood of Teamsters, Locals 120, 662, and 695 (collectively, the Unions), and the General Counsel of the National Labor Relations Board entered into a Formal Settlement Stipulation, subject to the Board's approval, providing for the entry of a consent order by the Board and a consent judgment by any appropriate United States Court of Appeals.¹

¹ Although the consolidated complaint alleges that Respondent LME, Inc., and Respondent Lakeville Motor Express are alter egos, Lakeville Motor Express is not a party to this Formal Settlement Stipulation. The complaint further alleges that because of the Respondent's unlawful subcontracting of unit work, Lakeville Motor Express closed on about November 19, 2016. The Region states in its transmittal memorandum to the Board that Lakeville Motor Express filed for Chapter 7 bankruptcy in January 2017 (before charges in the instant matter were filed), that it essentially no longer exists in either a legal or practical sense, and that the bankruptcy proceeding will eventually result in its complete liquidation. The Region further asserts that the bankruptcy trustee, while not a party to the settlement, is aware of the parties' settlement agreement.

The parties waived all further and other proceedings before the Board to which they may be entitled under the National Labor Relations Act and the Board's Rules and Regulations, and the Respondent waived its right to contest the entry of a consent judgment or to receive further notice of the application therefor.

The National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

The Formal Settlement Stipulation is approved and made a part of the record, and the proceeding is transferred to and continued before the Board in Washington, D.C., for the entry of a Decision and Order pursuant to the provisions of the Formal Settlement Stipulation.

Based on the Formal Settlement Stipulation and the entire record, the Board makes the following

Findings of Fact

1. The Respondent's business

(a) At all material times, the Respondent, a Minnesota corporation, has been engaged in providing less-than-truckload freight delivery in the Midwestern region of the United States.

(b) During the past calendar year, the Respondent, in conducting its operations described above in Paragraph 1(a), derived gross revenues in excess of \$500,000.

(c) During the past calendar year, the Respondent, in conducting its operations described above in Paragraph 1(a), purchased and received at its Minnesota terminals goods and services valued in excess of \$50,000 directly from points located outside the State of Minnesota.

(d) At all material times, the Respondent has been an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act.

2. The labor organization involved

At all material times, the Unions have been labor organizations within the meaning of Section 2(5) of the Act.

ORDER

Based on the above findings of fact, the Formal Settlement Stipulation, and the entire record, and pursuant to Section 10(c) of the National Labor Relations Act, the National Labor Relations Board orders that:

The Respondent, LME, Inc., New Brighton, Minnesota, its officers, agents, successors, and assigns, shall:

1. Cease and desist from:

(a) Creating alter-egos for purposes of avoiding its responsibilities and obligations under the National Labor Relations Act.

(b) Subcontracting work, closing parts of its business, or terminating employees in order to discriminate against employees for engaging in union and/or protected concerted activities and to discourage employees from engaging in these activities.

(c) Refusing to bargain with the Unions over terms and conditions of employment for employees who are represented by the Unions.

(d) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed in Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act:

(a) Pursuant to the terms of Appendix B to this agreement, the Respondent will make whole all former employees and Unions affected by the closure of Lakeville Motor Express, by paying them pursuant to the schedules in Appendix B. The total sum of all such payments under the schedules in Appendix B will be \$1,250,000. The Respondent will make appropriate withholdings for each former employee. The Respondent will also file a report with the Regional Director for Region 18 allocating the payments to the appropriate calendar year. In the event of a failure to pay in accordance with the terms of Appendix B, the Respondent will have sixty days to cure any defects. If the Respondent does not cure a defect after this sixty-day period has expired, the Respondent will be required to immediately pay, in full, the amount of \$2,420,931, minus any payments already made under the terms of Appendix B.

(b) In the event that the Respondent opens or acquires a facility within the Twin Cities Metro Area² in 2019, 2020, or 2021, the Respondent will give hiring preference to former employees of Lakeville Motor Express, as defined in Appendix B, who apply for employment at the facility, subject to their being qualified for employment under the Respondent's standard hiring procedures and/or applicable Department of Transportation requirements. Further, the Respondent will, upon request of the Unions, recognize and bargain with the Unions in accordance with its bargaining obligations under the National Labor Relations Act regarding the employees in the following unit:

All truck drivers, helpers, dockmen, warehousemen, checkers, power-lift operators, hostlers, and other such employees as may be presently or hereafter represented by the Unions, engaged in local pickup, delivery, and assembling of freight within the area located within the jurisdiction of the Unions.

² For purposes of this agreement, the Twin Cities Metro Area is defined as Hennepin, Ramsey, Anoka, Carver, Dakota, Scott, and Washington Counties.

(c) Within 14 days from the approval of this agreement, the Respondent will mail, at its expense, a copy of the attached Notice in Appendix A to former employees of Lakeville Motor Express who were employed at any time since August 1, 2016, at the facility located at 2975 Partridge Road, Roseville, MN 55113, as defined in Appendix B. Those notices will be signed by a responsible official of the Respondent and show the date of mailing. The Respondent will provide the Regional Director for Region 18 written confirmation of the date of the mailing and a list of names and addresses of employees to whom the Notices were mailed.

(d) Within 21 days after service by the Region, file with the Regional Director for Region 18 a sworn certification of a responsible official on a form provided by the Region attesting to the steps that the Respondent has taken to comply.

(e) If the Respondent fails to comply with any of the provisions of this Order, the Respondent will be in default of the Formal Settlement Stipulation and Order.

Dated, Washington, D.C., April 30, 2019.

John F. Ring, Chairman

Lauren McFerran, Member

William J. Emanuel, Member

(SEAL)

NATIONAL LABOR RELATIONS BOARD

APPENDIX A

NOTICE TO EMPLOYEES POSTED BY ORDER OF THE NATIONAL LABOR RELATIONS BOARD An Agency of the United States Government

PURSUANT TO A STIPULATION PROVIDING FOR A BOARD ORDER AND A CONSENT JUDGMENT OF ANY APPROPRIATE UNITED STATES COURT OF APPEALS

As you may know, TEAMSTERS LOCAL NO. 120, TEAMSTERS LOCAL NO. 662, and TEAMSTERS LOCAL NO. 695 (collectively, the UNIONS) filed charges with the National Labor Relations Board against LME, INC. and LAKEVILLE MOTOR EXPRESS, alleging violations of the National Labor Relations Act (the Act). Those charges have been investigated and settled. As part of the Settlement Agreement, LME has agreed to mail this Notice to all affected employees, as described in the Settlement Agreement.

FEDERAL LAW GIVES YOU THE RIGHT TO:

- Form, join, or assist a union;
- Choose a representative to bargain with us on your behalf;
- Act together with other employees for your benefit and protection;
- Choose not to engage in any of these protected activities.

WE WILL NOT do anything to prevent you from exercising the above rights.

WE WILL NOT terminate employees' employment because of employees' union membership or support.

WE WILL NOT close facilities or parts of our business because employees engage in union activity.

WE WILL NOT subcontract or transfer work performed by employees represented by unions without providing the Unions with notice and an opportunity to bargain.

WE WILL NOT in any like or related manner interfere with your rights under Section 7 of the National Labor Relations Act.

WE WILL offer employees of Lakeville Motor Express, whose employment was terminated on November 19, 2016, placement on a preferential hiring list that will apply to any facility we open or acquire in the Twin Cities Metro area (Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington Counties) in 2019, 2020, or 2021.

WE WILL, upon request, recognize and bargain with the Unions, in accordance with our bargaining obligations under the National Labor Relations Act, at any facility we open or

acquire in the Twin Cities Metro area (Hennepin, Ramsey, Anoka, Dakota, Scott, Carver, and Washington Counties) in 2019, 2020, or 2021, in the following unit:

All truck drivers, helpers, dockmen, warehousemen, checkers, power-lift operators, hostlers, and other such employees as may be presently or hereafter represented by the Unions, engaged in local pickup, delivery, and assembling of freight within the area located within the jurisdiction of the Unions.

WE WILL pay employees of Lakeville Motor Express for wages and other benefits they lost, and the Unions for dues lost, due to the closure of Lakeville Motor Express on November 19, 2016, as agreed to in the Settlement Agreement.

WE WILL complete and submit Backpay Reports allocating backpay to the appropriate year(s) to the Regional Director for Region 18, care of the Region's Compliance Officer, for filing with the Social Security Administration.

LME, INC.

The Board's decision can be found at www.nlrb.gov/case/18-CA-192154 or by using the QR code below. Alternatively, you can obtain a copy of the decision from the Executive Secretary, National Labor Relations Board, 1015 Half Street, S.E., Washington, D.C. 20570, or by calling (202) 273-1940.



APPENDIX B

The Respondent agrees to pay the compromised sum of \$1,250,000, which includes principal and interest and any payments due to the Unions, with final payment payable on June 1, 2024, as set forth below:

Payment Due Date	Payment Amount
6/1/2019	\$62,500
12/1/2019	\$62,500
6/1/2020	\$125,000
12/1/2020	\$125,000
6/1/2021	\$125,000
12/1/2021	\$125,000
6/1/2022	\$125,000
12/1/2022	\$125,000
6/1/2023	\$125,000
12/1/2023	\$125,000
6/1/2024	\$125,000
Total	\$1,250,000

The parties agree that the following discriminatees are the only individuals entitled to the make-whole remedy in this matter:

Last Name	First Name	Local Union
Ackerson	Michael	120
Albrecht	Scott	120
Andersen	Eugene	120
Anderson	Dale	120
Bahr	Allen	120
Baier	Jason	120
Barbato	Nicholas	120
Bebeau	Thomas	120
Bellcour	Zachery	N/A
Beresford	Mark	662
Block	Curtis	120
Bumgardner	Timothy	120
Chaika Sr.	Charles	120
Crisham	Jim	120
Davitt	Greg	120
Doucet	Frank	120
Duda	Jody	662
Even	Mark	120
Everson	Scott	120
Fair	Randy	695

Feyereisn	Scott	120
Fitzgerald	Michael	120
Fogarty	Kevin	120
Folta	Garry	120
Gordon	Jeffrey	120
Haas	Randall	120
Hanna	Robert	120
Hjelmhaug	William	120
Horsman	Mark	120
Jackson	David	120
Kaminski	Jacob	120
Klinkenberg	Charles	120
Kraus-Schlichtmann	Charles	120
Kriesel	James	120
Lang	Ryan	120
Lean	Charles	N/A
Lehmann	Tom	120
Levesseur	Michael	120
Lieder	Daniel	120
Lofgren	Charles	120
Lutter	Dave	120
Mace	Chris	120
Marsyla	Dean	120
Mayo	William	120
McDonald	Keith	120
Mickelson	Rick	120
Miller	Dean	120
Moeller	Jim	120
Mortimer	Robin	662
Mulcahy	Rick	120
Nelson	Dan	120
Nelson	Roger	120
Nunn	Samuel	120
Orduno	Ernest	120
Orduno	Lorenzo	120
Parrott	Brad	120
Pedersen	John	120
Phillips	Darrvl	120
Pietz	Shawn	120
Plath	Russell	120
Platzer	Bruce	120

Powell	Steven	120
Powers	Allen	120
Prihoda	Russell	N/A
Purdy	Tim	120
Rettman	Michael	120
Richert	Jeffrey	120
Ruggles	Darrell	120
Satterlee	Steve	120
Schleicher	Robert	120
Schneider	Andrew	120
Schuster	Ronald	120
Siiter	Ross	120
Silbernagel	Mark	120
Soyring	Steven	120
Soyring	Michael	120
Sperling Sr.	James	120
Stachowski	James	120
Stachowski	John	120
Strait	Ronald	120
Sullivan	Jerry	120
Thompson	Shane	120
Too	Tyler	120
Vandenheuvel	Thomas	120
Verrett	David	662
Walton	Charles	120
Whitney	David	120
Wintle	Alexander	120
Wintle	William	120

The Respondent agrees to pay dues owed to International Brotherhood of Teamsters, Locals 120, 662, and 695 with each payment, the amounts of which are included in the installments listed above. The Respondent will prepare three separate checks, one for each Union.

Region 18 shall have sole discretion regarding all distribution amounts for all discriminatees and Unions. These amounts will be in accordance with normal Board practices and procedures. At least 30 days prior to each Payment Due Date, Region 18 will provide the Respondent with the specific amounts to be paid to each discriminatee (listed above) and each of the Unions for the upcoming payment. For each payment, each discriminatee may receive up to three (3) checks: Wages, Expenses, and Interest. The Respondent will make appropriate withholdings from the check for wages and provide a statement of those withholdings along with the checks. No withholdings should be made from the checks issued for expenses or interest.

All payments shall be sent to Region 18 at its Minneapolis Regional Office at National Labor Relations Board Region 18, Federal Office Building, 212 3rd Avenue S, Suite 200, Minneapolis, MN 55401, Attention: Richard J. Neuman, Compliance Officer. Region 18 will verify the accuracy of all checks and will then forward them to the discriminatees and Unions.

Throughout the installment payment period, the Respondent agrees to take all steps necessary to reissue checks if the need arises. For example, the Respondent will reissue the checks including, but not limited to, checks not cashed timely due to a change in a discriminatee address or errors made in the preparation of the checks.

At the appropriate time, the Respondent will comply with Internal Revenue Service laws regarding the issuance of appropriate tax forms as a result of all of these payments.

If Region 18 is unable to locate any of the affected employees listed in this Appendix within one year of the final installment payment, the Regional Director for Region 18 will have sole discretion to redistribute the money due to those employees, to the remaining affected employees on a proportionate basis. The Respondent agrees to prepare the redistribution payments pursuant to the direction of the Regional Director for Region 18.