

**ROAD CARRIERS – LOCAL 707 PENSION FUND
SUSPENSION APPLICATION**

EXHIBIT 7



Pension Benefit Guaranty Corporation
1200 K Street, N.W., Washington, D.C. 20005-4026

March 3, 2016

Kevin McCaffrey
Fund Manager
Board of Trustees of the Road Carriers - Local 707 Pension Fund
14 Front Street, Suite 301
Hempstead, NY 11550

Re: Initial Review Notification Letter upon Application for Partition of the Road Carriers - Local 707 Pension Fund (the "Plan")

Dear Mr. McCaffrey,

The Plan submitted an application for partition on February 19, 2016. PBGC has finished its initial review for the purpose of determining whether the Plan's application is complete under section 4233(a)(1) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Multiemployer Pension Reform Act of 2014 (MPRA).

PBGC has concluded that the Plan's application for partition is a complete application in that it includes all the information specified in §§ 4233.5 through 4233.9 of PBGC's partition regulation.

Because the Plan will require both partition and benefit suspensions to remain solvent, this initial determination that the Plan's partition application is complete is conditioned on the Plan sponsor's filing of an application for benefit suspensions with the Treasury Department within 30 days after receiving this notice of a complete application.

The Plan sponsor must provide notice to participants of the partition application not later than 30 days after receiving this notice of a complete application. As permitted, the Plan has proposed issuing a combined notice to participants of the suspensions application and the partition application. While the notice included in the Plan's application satisfies PBGC's requirements, the final combined notice issued to participants must in addition satisfy the Treasury regulations.

Under MPRA, although PBGC may approve or deny an application for partition at its discretion, PBGC must make a determination on the application not later than 270 days after the date of PBGC's notice of a completed application to the Plan sponsor. PBGC recognizes that the Plan has requested an earlier determination.

Under § 4233.4 of PBGC's partition regulation, the Plan sponsor must promptly notify PBGC in writing of any material fact or representation contained in or relating to the application, or in any supporting documents, that is no longer accurate, or any material fact or representation omitted from the application or supporting documents, that the Plan sponsor discovers. In addition, PBGC may require the Plan sponsor to submit: (i) additional information necessary to make a determination on the Plan's application for partition, and (ii) any information PBGC may need to calculate or verify the amount of financial assistance necessary for a partition.

Please let us know if you have any questions.

Thank you—

Redacted by the U.S. Department of the
Treasury

Constance Markakis

Assistant Chief Counsel for Multiemployer Law and Policy

Office of Chief Counsel

Pension Benefit Guaranty Corporation

Redacted by the U.S. Department of the
Treasury

Morgan Lewis

John F. Ring

Redacted by the U.S.
Department of the Treasury

February 19, 2016

VIA HAND DELIVERY

Multiemployer Program Division
Pension Benefit Guaranty Corporation
1200 K Street NW, 9th Floor
Washington, DC 20005-4026

Re: Road Carriers - Local 707 Pension Fund's Application to the PBGC for a Partition Order

Dear Sir or Madam:

Please find enclosed the Board of Trustees of the Road Carriers Local 707 – Pension Fund's application for a partition order under the Multiemployer Pension Reform Act of 2014. Thank you in advance for your prompt attention to this matter.

Please contact me with any questions or concerns.

Sincerely,

Redacted by the U.S. Department of the
Treasury

John F. Ring

JFR

c: Kevin McCaffrey (via email)
David P. Ofenloch, Esq. (via email)
Larry Cary, Esq. (via email)
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**Road Carriers – Local 707 Pension Fund’s
Application to the Pension Benefit Guaranty
Corporation
for a
Partition Order under the
Multiemployer Pension Reform Act of 2014**

SECTION 1. BACKGROUND AND PURPOSE

Pursuant to the Pension Benefit Guaranty Corporation’s (“PBGC”) Interim Final Rule, 29 CFR Part 4233, issued under Section 4233 of the Employee Retirement Income Security Act, as amended 1974 (“ERISA”) and published in the Federal Register on June 19, 2015 as well as the Final Rule, published in the Federal Register on December 18, 2015 (the “Regulations”), the Board of Trustees of the Road Carriers – Local 707 Pension Fund (the “Plan”) submits this application, and the accompanying Exhibits, to the PBGC for a partition approval order.

Sections 121 and 122 of the Multiemployer Pension Reform Act of 2014, as it amends Section 4233 of ERISA, provides the PBGC with a statutory authority to assist financially troubled multiemployer pension plans under certain conditions, including that if doing so would reduce potential future costs to the PBGC and if the PBGC can certify that its ability to meet existing financial assistance to other plans will not be impaired. The Regulations issued under Section 4233 of ERISA implement application and notice requirements prescribing the statutory conditions and requirements that must be met before the PBGC may partition an eligible multiemployer plan. As explained below, the Plan is eligible for a partition order from the PBGC because it is able to satisfy the enumerated criteria under the Regulations. In light of the Plan’s recent reduction of benefits down to the resource benefit level for the 2016 Plan Year and its projected insolvency date of February 2017, the Trustees are requesting authorization to implement a partition of the Plan as soon as administratively possible. Therefore, the Plan respectfully requests that the PBGC approve this application for a partition and issue the corresponding order.

Additionally, and with the same emphasis on timeliness, the Trustees are submitting a coordinated and revised application to suspend benefits to the Department of the Treasury (“Treasury”) under Section 305(e)(9) of ERISA and Section 432(e)(9) of the Code and will comply with the appropriate Regulations governing a coordinated application for partition and benefit suspension, including 29 CFR § 4233.13(a).

SECTION 2. PLAN INFORMATION PURSUANT TO PBGC REGULATION § 4233.5

Under PBGC Reg. § 4233.5, we provide the following information with respect to the Plan:

(a) The name of the Plan, Employer Identification Number (EIN), and three-digit Plan Number (PN).

- The name of the Plan is the Road Carriers - Local 707 Pension Fund.
- The Plan has been assigned the Plan Number of 001.
- The Plan’s Employment Identification Number (EIN) is 51-6106510.
- The Plan is a multiemployer pension plan within the meaning of Code Section 414(f) and ERISA Section 3(37).

(b) The name, address, and telephone number of the plan sponsor and the plan sponsor’s duly authorized representative.

- The Plan Sponsor is the Board of Trustees of the Road Carriers - Local 707 Pension Fund.
- The address of the Board is 14 Front Street, Suite 301, Hempstead, NY 11550.
- The Trustees’ telephone number is (516) 560-8500.
- The Plan’s email address is kmccaffrey@ibt707.com and its fax number is (516) 486-7375.
- The Plan Sponsor’s duly authorized representative is Kevin McCaffrey, the Fund Manager.

(c) The most recent trust agreement, including all amendments adopted since the last restatement.

See Exhibit 1.

(d) The most recent plan document, including all amendments adopted since the last restatement.

See Exhibit 2.

(e) The most recent summary plan description (SPD), and all summaries of material modification (SMM) issued since the effective date of the most recent SPD.

See Exhibit 3.

(f) The most recent rehabilitation plan, including all subsequent amendments and updates:

See Exhibit 4.

The percentage of total contributions received under each schedule of the rehabilitation plan for the most recent plan year available:

All of the Plan’s current employers contribute according to the Non-Default Schedule of the Rehabilitation Plan; therefore, the Plan received 100% of total contributions under that Schedule for the 2015 Plan Year.

(g) A copy of the Plan’s most recent IRS determination letter.

See Exhibit 5.

(h) A copy of the Plan’s most recent Form 5500 (Annual Report Form) and all schedules and attachments (including the audited financial statement).

See Exhibit 6.

(i) A current listing of employers who have an obligation to contribute to the Plan, and the approximate number of participants for whom each employer is currently making contributions.

- YRC Worldwide Inc. (YRC Freight Inc.) – 506 participants.
- YRC Worldwide Inc. (New Penn Motor Express Inc.) – 81 participants.
- ABF Freight Systems – 93 participants.
- Grocery Haulers Inc. – 4 participants.
- Hudson News Distributors LLC – 42 participants.
- United Parcel Service – 2 participants.
- Road Carriers Local 707 Welfare and Pension Funds – 7 participants.
- Teamsters Local Union No. 707 – 3 participants.
- Revere Smelting & Refining Corporation – 8 Participants.

(j) A schedule of withdrawal liability payments collected in each of the most recent five plan years.

In the most recent five Plan Years, withdrawal liability payments have been collected from C&S Wholesale Grocers Inc. as follows:

- 2015 - \$ 2,298,929
- 2014 - \$ 2,298,929
- 2013 - \$ 2,298,929
- 2012 - \$ 2,298,929
- 2011 - \$ 2,298,929

SECTION 2. PARTITION INFORMATION PURSUANT TO PBGC REGULATION § 4233.6.

Under PBGC Reg. § 4233.6, we provide the following information with respect to the Plan:

(a) A detailed description of the proposed partition, including the proposed structure,

proposed effective date, and any larger integrated transaction of which the proposed partition is a part including, but not limited to, an application for suspension of benefits under section 305(e)(9)(G).

In consideration of the Plan’s projected date of insolvency, the Trustees’ proposed effective date of the Plan’s partition is July 1, 2016. Under the Trustees’ proposed partition strategy, all of the benefit liabilities or guaranteed plan benefit amounts (after suspensions) corresponding to (1) retirees in pay status and (2) the terminated vested participants would be transferred to the Successor Plan, while then leaving all of the benefit liabilities and guaranteed benefit amounts (after suspensions) associated with the current active participants in the Original Plan. The Trustees are transferring the minimum amount of the Original Plan’s benefit liabilities necessary for that Plan to remain solvent after the partition. Pursuant to the Regulations, the PBGC will pay guaranteed benefits in the Successor Plan, while the Original Plan pays the residual benefits in the Successor Plan, and all of the Plan’s contributing employers remain with the Original Plan.

In addition, the Trustees are currently preparing a coordinated application to suspend benefits under ERISA and the Code to file with Treasury. The Plan will supplement this application with a copy of that suspension application within the applicable timeframe.

(b) A narrative description of the events that led to the Trustees’ decision to submit an application for partition and an application for suspension of benefits.

Competitive and economic factors over the past 35 years have affected the Plan’s contributing employers and directly impacted the Plan’s funding status. The deregulation of the trucking industry in the early 1980s started the steady decline in the number of the Plan’s contributing employers and the Plan’s financial condition. Additionally, during the past 10-15 years, the “less-than-truckload” (LTL) sector of the trucking industry, especially those smaller freight businesses in the New York region, and its unionized workforce covered under the Plan have suffered an even further rapid decline. During this period, which included the economic downturn of 2007-2008, there has been little to no growth in the United States economic markets, which greatly impacted LTL trucking.

As the Plan’s financial condition continued to deteriorate in recent years, the Trustees also have been active in efforts to find a solution to avoid insolvency. Specifically, the Trustees have been in consultation with the PBGC and Treasury for assistance and guidance. There have been ongoing discussions with the PBGC regarding a variety of possible alternatives, including a potential merger. In this regard, the Trustees have been actively seeking a merger partner, which would be facilitated with the technical and financial assistance of the PBGC. The Trustees also have been active in seeking a legislative solution to avoid insolvency and have been in contact with elected representatives in Congress, who have offered ongoing assistance and support. Lastly, in early July 2015, the Trustees submitted an application to suspend benefits to Treasury; however, after numerous discussions with Treasury and pursuant to its request, the Trustees were forced to withdraw that application.

After subsequent conversations with Treasury and the PBGC, the Trustees submit this application for a partition order and will be submitting a coordinated application seeking approval of benefit suspensions.

(c) A narrative description of significant risks and assumptions relating to the proposed partition and the projections provided in support of the application.

Each actuarial assumption is fully detailed in the answers provided under Section 3 below. Except when the regulations mandate the use of PBGC mortality and interest, the major assumptions are as follows:

- Mortality RP-2014 blue collar mortality set forward three years, increased with Scale MP-2014
- Interest 5.75%
- Market Value of Assets Estimated \$24,485,449 as of 1/31/2016
- Expenses \$1,350,000 annually, increasing 1% per year
- Future Employment under a partition 1,629,375 hours per year
- Future Employment under an insolvency 1,629,375 hours in the Plan Year ending 1/31/2017, with a 5% per year reduction in future hours over the next ten years

The significant risks for the attached projections include:

- Mortality is less than expected
- Increased plan expenses
- Reductions in future hours
- Poor market returns

(d) A copy of the Trustees’ application for suspension of benefits (including all attachments and exhibits). If the Trustees intend to apply for a suspension of benefits with Treasury, but have not yet submitted an application to Treasury, a draft of the application may be filed, which must be supplemented by filing a copy of the completed application within the timeframe established in §4233.10(d).

The Trustees are currently preparing an application to suspend benefits to file with Treasury. The Trustees will supplement this application with a copy of that suspension application within the applicable timeframe.

(e) A detailed description of all measures the Trustees have taken (or are taking) to avoid insolvency, and any measures the Trustees considered taking but did not take, including the factor(s) the Trustees considered in making these determinations. Include all relevant documentation relating to the Trustees’ determination that they have taken (or are taking) measures to avoid insolvency.

Road Carriers – Local 707 Pension Fund’s Application to the PBGC for a Partition Order

The Trustees have taken numerous comprehensive measures available to them under the law to avoid insolvency. These measures include the immediate adoption of a Rehabilitation Plan following passage of the Pension Protection Act of 2006. On December 16, 2008, the Plan was certified by its actuary to be in “critical status,” and the Trustees adopted a Rehabilitation Plan effective January 1, 2009, which amended and was incorporated into the Plan document. The Rehabilitation Plan contained two schedules, a Default Schedule and a Non-Default Schedule, and under both Schedules, the Rehabilitation Plan increased employer contributions on an annual basis and reduced future benefit accruals.

The Rehabilitation Plan’s Default Schedule eliminated all adjustable benefits effective January 1, 2009. This included the following: (1) Twenty-Five Year Service Pension; (2) Disability Pension; (3) Supplemental Lump Sum Post-Retirement Death Benefit; (4) Thirty-Year Service Lump Sum Post-Retirement Death Benefit; and (5) 5-Year Period Certain Life Annuity. Under the Non-Default Schedule of the Rehabilitation Plan, the Twenty-Five Year Service Pension benefit was replaced with a reduced Service Pension benefit that provides an unreduced Normal Retirement Pension for participants with at least 25 Pension Credits who have attained age 57 or participants with 30 Pension Credits at any age.

The Trustees, each year in consultation with the Plan’s actuary, considered updating the Rehabilitation Plan to reflect the worsening condition of the Plan. After consideration, the Trustees determined that the Rehabilitation Plan should not be updated and amended because any additional benefit reductions allowable under the law would only have had an adverse effect on employee and participant retention, any additional contribution level increases could not be financially sustained by the Plan’s contributing employers, and none of the aforementioned changes would have materially affected the Plan’s rate of insolvency given the nearly 3 to 1 retiree-to-active ratio.

As the Plan’s financial condition continued to deteriorate in recent years, the Trustees also have been active in efforts to find a solution to avoid insolvency. Specifically, the Trustees have been in consultation with the PBGC and the IRS for assistance and guidance. There have been ongoing discussions with the PBGC regarding a variety of possible alternatives, including a potential merger. In this regard, the Trustees have been actively seeking a merger partner, which would be facilitated with the technical and financial assistance of the PBGC. The Trustees also have been active in seeking a legislative solution to avoid insolvency and have been in contact with elected representatives in Congress, who have offered ongoing assistance and support. Lastly, in early July 2015, the Trustees submitted an application to suspend benefits to Treasury; however, after numerous discussions, pursuant to Treasury’s request, the Trustees withdrew that application.

The Trustees have included with this application all relevant documentation relating to the plan sponsor’s determination that it has taken (or is taking) measures to avoid insolvency.

Road Carriers – Local 707 Pension Fund’s Application to the PBGC for a Partition Order

In making the various aforementioned determinations the Trustees considered the following plan factors:

- Contribution levels. In developing the Rehabilitation Plan, the Trustees considered contribution levels, and the fact that additional contribution increases beyond those required likely would drive more contributing employer from the Plan, either through business failure or withdrawal. The Plan could not withstand any additional contributing employer withdrawals as it had already suffered serious detrimental impacts from the overall decline in the LTL sector of the trucking industry, which is covered under the Plan. In addition, the Plan’s largest contributing employer, YRC Worldwide Inc.’s companies (YRC Freight and New Penn), negotiated with the employee organization representing participants under the Plan a 75% reduction in pension contribution rates in an effort to keep the YRC Worldwide companies from bankruptcy. The Trustees, like those of other pension funds in which YRC Worldwide companies participate, accepted these lower contributions after determining that the Plan was better off financially with the YRC Worldwide companies in the Plan.
- Benefit accrual levels, including any prior reductions in the rate of benefit accruals. As demonstrated in the attached Rehabilitation Plan, the Plan drastically reduced benefit accrual levels. As noted, the Trustees concluded, in consultation with the actuaries, that any further reduction in the accrual rate beyond those contained in the Rehabilitation Plan would have had a detrimental effect on the Plan by undermining contributing employer’s ability to attract and retain qualified employees.
- Prior reductions of adjustable benefits under ERISA and the Code. As noted above, under the Rehabilitation Plan’s Default Schedule, the Trustees eliminated all of the Plan’s adjustable benefits. The Non-Default Schedule reduced, although did not eliminate the Service Pension. The Trustees made the determination not to eliminate this benefit in an effort to retain and attract qualified employees working for contributing employers as well as to maintain these contributing employers in the Plan.
- Measures taken to retain or attract contributing employers. Retention of contributing employers in the Plan has been very difficult since the deregulation of the trucking industry in 1980 and the economic and financial crises since 2001, which combined forced hundreds of unionized LTL trucking companies out of business. Over this time, the Trustees, with the assistance of the Plan’s actuary, have studied and implemented what they determined to be appropriate contribution level increases and benefit reductions in an effort to retain those contributing employers already in the Plan. Given the accrual rates and contribution requirements,

as well as the significant withdrawal liability, the Plan has been unable to attract any new contributing employers in decades.

- Impact on plan solvency of the subsidies and ancillary benefits, if any, available to active participants. As noted, the Rehabilitation Plan eliminated most subsidies and ancillary benefits available to active participants of the Plan. The Trustees did not reduce all ancillary benefits under the Rehabilitation Plan’s Non-Default Schedule in order to retain contributing employers in the Plan. In consideration of the other uncontrollable economic factors affecting the Plan, a further reduction in ancillary benefits would not have had a material impact on the Plan’s insolvency. The Plan’s solvency has been impacted almost entirely by the legacy costs of participants receiving accrued benefits.
- Compensation levels of active participants relative to employees in the Participant’s same industry. Compensation levels for active participants of the Plan were historically greater than non-participants employed in the LTL sector of the trucking industry. Over the past 10-15 years, however, the trend dramatically shifted and employees in the trucking industry (not participating in the Plan) are beginning to receive comparable or, in some cases, higher compensation than active participants in the Plan.
- Competitive and other economic factors facing contributing employers. A confluence of competitive and economic factors over the past 35 years have affected the Plan’s contributing employers and directly impacted the Plan’s finances. As noted, the deregulation of the trucking industry in the early 1980s started the steady decline in the number of the Plan’s contributing employers and the Plan’s financial condition. Additionally, during the past 10-15 years, the LTL sector of the trucking industry, especially those smaller freight businesses in the New York region, and its unionized workforce covered under the Plan have suffered an even further rapid decline.
- Impact of benefit and contribution levels on retaining active participants and bargaining groups under the Plan. As noted, decreases in benefit levels under the Plan would have drastically reduced employee and participant retention. The Plan’s contributing employers have been unable to financially sustain any increase in contribution levels.
- Impact of past and anticipated contribution increases under the Plan on employer attrition and retention levels. As described above, the impact of past and anticipated contribution increases under the Plan have had a detrimental impact on employer attrition and retention levels.

(f) A detailed description of the estimated benefit amounts the Trustees have determined are necessary to be partitioned for the Plan to remain solvent, including the following information:

(1) The estimated number of participants and beneficiaries whose benefits (or any portion thereof) would be transferred, including the number of retirees receiving payments (if any), terminated vested participants (if any), and active participants (if any).

- Retirees in pay status – 3,026.
- Terminated vested participants – 794.

(2) Supporting data, calculations, assumptions, and a description of the methodology used to determine the estimated benefit amounts.

See the documentation provided under Section 3 below.

(3) A description of any classifications or specific group(s) of participants and beneficiaries whose benefits (or any portion thereof) the Trustees propose to transfer, and the Trustees’ rationale or basis for selecting those classifications or groups.

- As stated above, the Trustees propose to transfer two groups of the Plan’s participants and their associated benefit liabilities from the Original Plan to the Successor Plan in order to achieve solvency (in coordination with the benefit suspensions). First, the Trustees propose to transfer all of the benefit liabilities (after suspensions) associated with the Plan’s retirees in pay status from the Original Plan to the Successor Plan. Second, the Trustees propose to simultaneously transfer all of the benefit liabilities (after suspensions) associated with the Plan’s terminated vested participants from the Original Plan to the Successor Plan.

The rationale behind the Trustees’ selection of these groups to transfer to the Successor Plan is based on the minimum amount of benefit liabilities that may be partitioned for the Plan to remain solvent. The Plan’s large ratio of retirees in pay status and terminated vesteds to participants currently employed (approximately 3 to 1), coupled with the fact that the benefit liabilities with respect to a retiree or terminated vested are usually larger than the benefit liabilities associated with a current active participant, mandates that the benefit liabilities of the retirees and terminated vesteds be partitioned in order for the Plan to remain solvent. Additionally, this proposed strategy in coordination with the suspension of benefits through Treasury should reduce the Plan’s potential future costs to the PBGC, especially if the Plan goes into insolvency. This proposed strategy will also allow the PBGC to certify that its ability to meet its existing financial assistance to other multiemployer plans will not be impaired as a result of the Plan’s partition.

(g) A copy of the draft notice of application for partition described in § 4233.11.

See Exhibit 7.

SECTION 3. ACTUARIAL AND FINANCIAL INFORMATION PURSUANT TO PBGC REGULATION § 4233.7.

(a) *Required information.* Under PBGC Reg. § 4233.7, we provide the following information with respect to the Plan.

(1) A copy of the Plan’s most recent actuarial report and copies of the actuarial reports for the two preceding plan years.

See Exhibit 8.

(2) A copy of the Plan actuary’s most recent certification of critical and declining status, including a detailed description of the assumptions used in the certification, the basis for the projection of future contributions, withdrawal liability payments, investment return assumptions, and any other assumption that may have a material effect on projections.

See Exhibit 9.

(3) A detailed statement of the basis for the conclusion that the Plan will not remain solvent without a partition and, if applicable, suspension of benefits, including supporting data, calculations, assumptions, and a description of the methodology. Include as an exhibit annual cash flow projections for the Plan without partition (or suspension) through the projected date of insolvency. Annual cash flow projections reflect the following information:

- (i) Market value of assets as of the beginning of the year.**
- (ii) Contributions and withdrawal liability payments.**
- (iii) Benefit payments organized by participant status (active, retired, terminated vested, beneficiary).**
- (iv) Administrative expenses.**
- (v) Market value of assets at year end.**

See Exhibit 10.

(4) A long-term projection reflecting reduced benefit disbursements at the PBGC guarantee level after insolvency, and a statement of the present value of all future financial assistance without a partition (using the interest and mortality assumptions applicable to the valuation of plans terminated by mass withdrawal as specified in PBGC Reg. § 4281.13 and other reasonable actuarial assumptions,

including retirement age, form of benefit payment, and administrative expenses, certified by an enrolled actuary).

See Exhibit 11.

(5) A detailed statement of the basis for the conclusion that the Original Plan will remain solvent if the application for partition, and the application for suspension of benefits, is granted, including supporting data, calculations, assumptions, and a description of the methodology, which must be consistent with section 305(e)(9)(D)(iv) and the regulations thereunder (including any adjustment to the cash flows in the initial year to incorporate recent actual fund activity required to be included under that section). Annual cash flow projections for the Original Plan with partition (and suspension) must be included as an exhibit and must reflect the following information:

- (i) Market value of assets as of the beginning of the year.**
- (ii) Contributions and withdrawal liability payments.**
- (iii) Benefit payments organized by participant status.**
- (iv) Administrative expenses.**
- (v) Market value of assets at year end.**

See Exhibit 12.

(6) A copy of the Plan actuary’s certification under section 305(e)(9)(C)(i) of ERISA.

See Exhibit 13.

(7) The Plan’s projected insolvency date with benefit suspension alone (if applicable), including supporting data.

The Plan’s projected insolvency date with benefit suspensions alone is April 2017.

See Exhibit 14.

(8) A long-term projection reflecting benefit disbursements from the Successor Plan (organized by participant status), and a statement of the present value of all future financial assistance to be paid as a result of a partition (using the interest and mortality assumptions applicable to the valuation of plans terminated by mass withdrawal as specified in PBGC Reg. § 4281.13 and other reasonable actuarial assumptions, including retirement age, form of benefit payment, and administrative expenses, certified by an enrolled actuary).

See Exhibit 15.

(9) A long-term projection of pre-partition benefit disbursements from the Original Plan reflecting reduced benefit disbursements at the PBGC-guarantee level beginning on the proposed effective date of the partition (using a closed group valuation and no accruals after the proposed effective date of partition, and organized separately by participant status groupings (e.g., active, retiree, terminated vested, beneficiary)).

See Exhibit 16.

(10) A long-term projection of pre-partition benefit disbursements from the Original Plan reflecting the maximum benefit suspensions permissible under section 305(e)(9) of ERISA beginning on the proposed effective date of the partition (using an open group valuation and organized separately by participant status groupings (e.g., active, retiree, terminated vested, beneficiary)).

See Exhibit 17.

SECTION 4. PARTICIPANT CENSUS DATE PURSUANT TO PBGC REGULATION § 4233.8.

Under PBGC Reg. § 4233.8, we provide the following information with respect to the Plan, including a copy of the census data used for the projections described in PBGC Reg. § 4233.7(a)(3) and (5), such as:

- (a) Participant type (retiree, beneficiary, disabled, terminated vested, active, alternate payee).**
- (b) Date of birth.**
- (c) Gender.**
- (d) Credited service for guarantee calculation (i.e., number of years of participation).**
- (e) Vested accrued monthly benefit before benefit suspension under section 305(e)(9) of ERISA.**
- (f) Vested accrued monthly benefit after benefit suspension under section 305(e)(9) of ERISA.**
- (g) Monthly benefit guaranteed by PBGC (determined under the terms of the Original Plan without respect to benefit suspensions).**
- (h) Benefit commencement date (for participants in pay status and others for which the reported benefit is not payable at Normal Retirement Date).**
- (i) For each participant in pay status—**
 - (1) Form of payment, and**
 - (2) Data relevant to the form of payment, including:**
 - (i) For a joint and survivor benefit, the beneficiary’s benefit amount (before and after suspension) and the beneficiary’s date of birth;**
 - (ii) For a Social Security level income benefit, the date of any change in the benefit amount, and the benefit amount after such change;**

- (iii) For a 5-year certain or 10-year certain benefit (or similar benefit), the relevant defined period.**
- (iv) For a form of payment not otherwise described in this section, the data necessary for the valuation of the form of payment, including the benefit amount before and after suspension.**
- (j) If an actuarial increase for postponed retirement applies or if the form of annuity is a Social Security level income option, the monthly vested benefit payable at normal retirement age in normal form of annuity**

See Exhibit 18.

SECTION 5. FINANCIAL ASSISTANCE INFORMATION PURSUANT TO PBGC REGULATION § 4233.9.

(a) *Required information.* Under PBGC Reg. § 4233.9, we provide the estimated amount of annual financial assistance requested from PBGC for the first year the Plan receives financial assistance if partition is approved.

The Plan requests approximately \$11.6 million in financial assistance from the PBGC from the requested partition date of 7/1/2016 through the end of the Plan Year of 1/31/2017 (seven months of payments) if the Plan’s partition is approved.

§ 4233.3(b) Penalty of Perjury Statement

Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request contains all the relevant facts relating to the request, and such facts are true, correct, and complete.

Name: Redacted by the U.S. Department of the Treasury
Date: 2-19-2016 U
Title: Trustee

Name: Redacted by the U.S. Department of the Treasury
Date: 2-19-2016
Title: Trustee

**ROAD CARRIERS – LOCAL 707 PENSION FUND
PARTITION APPLICATION**

EXHIBIT 1

ROAD CARRIERS LOCAL 707
WELFARE AND PENSION TRUST FUNDS

RESTATEMENT OF AGREEMENT AND DECLARATION
OF TRUST

WHEREAS there has heretofore been entered into an AGREEMENT AND DECLARATION OF TRUST, made and entered into between Highway and Local Motor Freight Drivers, Dockmen and Helpers, Local Union 707, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter called the "Union," and the companies whose signatures are affixed hereto or to a counterpart hereof, hereinafter called the "Employers," and

UNION TRUSTEES

Nicholas J. Picarello
Kevin McCaffrey
Vincent Cangelosi

EMPLOYER TRUSTEES

Richard Muller
Peter Hassler
Frank Santanella

who with their successors designated in the manner herein provided are hereinafter called the "Trustees."

WHEREAS the Union and the Employers have entered into written Collective Bargaining Agreements requiring payments by the Employers for the purpose of providing pension and welfare programs for the Employees covered by said agreements, and

WHEREAS to effectuate the said purposes it is desired to maintain a trust for welfare benefits and to maintain a separate trust for pension benefits, pursuant to the requirements of the Labor-Management Relations Act of 1947, as amended, and the Employees Retirement Income Security Act of 1974, as amended, and

WHEREAS such trust funds have been heretofore established and it is desired to continue such trust funds pursuant to this Trust Agreement which has been amended and restated as set forth in accordance with the decisions of the Trustees, and

WHEREAS the Trust Agreement has previously been restated in order to incorporate the amendments passed in compliance with and pursuant to the Multiemployer Pension Plan Amendments Act of 1980, and

WHEREAS the Trust Agreement has been amended in order to comply with the Tax Reform Act of 1986, and other legislation, and

WHEREAS the Trust Agreement has been amended in order to comply with the Tax Reform Act of 1986, and other legislation, and

WHEREAS additional amendments have been made requiring a new Restatement thereof,

NOW, THEREFORE, THIS AGREEMENT AND DECLARATION OF TRUST WITNESSETH:

That in consideration of the premises and in order to create said trusts to be known as the "ROAD CARRIERS LOCAL 707 WELFARE TRUST FUND" and the "ROAD CARRIERS LOCAL 707 PENSION TRUST FUND," it is mutually understood and agreed as follows:

ARTICLE I

DEFINITIONS

Section 1. EMPLOYER. The term "Employer" shall mean each employer who is a signatory to this Agreement, and who has duly executed a Collective Bargaining Agreement with the Union providing for the payment of Employer Contributions to the Welfare Fund or to the Pension Fund, or who may hereafter execute such Collective Bargaining Agreement and become a signatory to this Trust Agreement, providing such Employer satisfies the requirements for participation as established by the Trustees. The term "Employer" shall also include the Union providing the Union makes contributions for its employees on the same basis as other Employers, but the Union shall not otherwise participate as an Employer herein. It shall also include the Pension and Welfare Funds provided contributions are made on behalf of employees of the Funds.

Section 2. UNION. The term "Union" shall mean Local 707 affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

Section 3. EMPLOYEES. The term "Employees" shall mean all of the employees of an Employer who are covered by the Collective Bargaining Agreement in effect between the Employer and the Union and shall include retired Employees. It shall also include employees of the Union for whom contributions are made in accordance with Section 1 of this Article. It shall also include the employees of the Pension and Welfare Funds for whom contributions are made in accordance with Section 1 of this Article.

Section 4. TRUSTEES. The term "Trustees" shall mean the Trustees designated in this Trust Agreement together with their successors designated in the manner provided herein.

Section 5. TRUST AGREEMENT. The term "Trust Agreement" or "Agreement and Declaration of Trust" shall mean this instrument including any amendments hereto and modifications hereof.

Section 6. EMPLOYER CONTRIBUTIONS. The term "Employer Contributions" shall mean payments by Employers to either of the Trust Funds created by Articles II and III hereof pursuant to Collective Bargaining Agreements.

Section 7. PENSION FUND. The term "Pension Fund" shall mean the trust fund created by Article III hereof.

Section 8. WELFARE FUND. The term "Welfare Fund" shall mean the trust fund created by Article II hereof.

Section 9. TRUST. The term "Trust," "Trusts," "Trust Fund" and "Trust Funds" shall mean the trusts created by Articles II and III hereto, or either of them.

Section 10. COLLECTIVE BARGAINING AGREEMENT. The term "Collective Bargaining Agreement" shall mean any written collective bargaining agreement between the Union and an Employer which requires contributions by the Employer to the Pension Fund and Welfare Fund or either of said Trust Funds. It shall also mean a written agreement by the Union with either of the Trust Funds to contribute for its employees in accordance with Section I.

Section 11. INVESTMENT MANAGER. The term "Investment Manager" shall mean any fiduciary who has been designated by the Trustees to manage, acquire, or dispose of any assets of the Funds, who is registered as an investment adviser under the Investment Advisers Act of 1940, or is a bank as defined in that Act or an insurance company qualified to perform services under the laws of more than one state and who has acknowledged in writing that it is a fiduciary with respect to the Funds.

Section 12. PENSION PLAN. The term "Pension Plan" shall mean the rules and regulations adopted by the Trustees with respect to pension benefits and eligibility provided under the Pension Fund.

Section 13. WELFARE PLAN. The term "Welfare Plan" shall mean the rules and regulations adopted by the Trustees with respect to welfare benefits and eligibility provided under the Welfare Fund.

Section 14. ERISA. The term "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

ARTICLE II

WELFARE FUND

Section 1. The Union and the Employer hereby create and establish with the Trustees hereinafter designated a Trust, to be known as the "Road Carriers Local 707 Welfare Trust Fund," which shall comprise of assets derived from all Employer contributions received and to be received for the purposes of this Trust pursuant to Collective Bargaining Agreements, and any income derived therefrom, and all insurance policies including dividends, refunds or other sums payable to the Trustees on account of such policies, and all investments made by the Trustees, and all income and dividends, and any and all other property payable to or held by the Trustees for the uses and purposes of this Trust.

Section 2. The Trustees agree to receive all such Employer Contributions, and other properties and assets and to hold the same in trust hereunder for the uses and purposes of the Trust created hereunder.

Section 3.

(a) The Road Carriers Local 707 Welfare Trust Fund is created for the purpose of providing and maintaining through self-insurance wherever permissible under the law and agreed upon by the Trustees, and through insurance policies issued by duly licensed insurance carriers, and by agreements with other lawful providers of benefits, insurance benefits required to be paid and made under Chapter 600 of the laws of the State of New York (approved and effective April 13, 1949 and the similar law of the State of New Jersey, if applicable); and such other benefits in the judgment of the Trustees, as may be determined by them to be advisable and practicable, such as group life, group accident and health, group hospitalization, medical and surgical benefits, and other or similar benefits, for Employees and for the spouses of such Employees and their children, it being understood that the provisions for sickness benefits hereunder, and such other benefits hereinabove mentioned as the Trustees may determine, shall be in lieu of any obligation imposed upon Employers or Employees for insurance and contributions required by the above-mentioned laws.

(b) The Trustees may agree with regard to any such policy of insurance with the insurance carrier thereof, and with regard to any agreement with any other lawful provider of benefits, upon waiting periods, definition of full-time employment, and such other provisions concerning eligibility of Employees, their spouses and children, as the Trustees may deem appropriate.

Section 4. The Trustees shall use and apply the property and assets of the Fund created hereunder for the following purposes:

(a) To pay or provide for the payment of all reasonable and necessary expenses of collecting the Employer Contributions and administering the affairs of the Fund, including but without limitation all expenses which may be incurred in connection with the establishment of the Fund, the employment of such administrative, legal, accounting, actuarial and other expert and clerical assistance, the leasing of such premises and the purchase or lease of such materials, supplies and equipment as the Trustees, in their discretion, find necessary or appropriate in the performance of their duties.

(b) To pay or provide for the payment of premiums on the policy or policies of insurance when such premiums shall become due.

(c) To make any payments as required by agreements with other providers of benefits.

(d) To pay benefits directly in the event of self-insured benefits.

(e) To establish and accumulate as part of the Fund, if in their discretion the Trustees consider it advisable, an adequate reserve to carry out the purposes of this Trust.

ARTICLE III

PENSION FUND

Section 1. The Union and the Employer hereby create and establish with the Trustees hereinafter designated a Trust, to be known as the "Road Carriers Local 707 Pension Trust Fund" which shall comprise of all assets derived from Employer contributions received and to be received for the purposes of this Trust pursuant to Collective Bargaining Agreements, and all investments made by the Trustees and all income and dividends derived therefrom, and any and all other property payable to or held by the Trustees for the uses and purposes of this Trust.

Section 2. The Trustees agree to receive all such Employer Contributions and other properties and assets and to hold the same in trust hereunder for the uses and purposes of the Trust created hereunder.

Section 3. The Road Carriers Local 707 Pension Trust Fund is created and established for the purposes of providing and maintaining pension and retirement benefits for Employees. The Trustees shall agree upon and formulate the provisions, regulations and conditions of the pension program herein contemplated, including

those relating to eligibility of Employees, retirement age, and any or all other matters relating thereto which the Trustees may deem appropriate for the determination of retirement benefits and the administration of the pension program. A copy of such Pension Plan shall be adopted and filed by the Trustees as part of the records and minutes of the Trustees. The Trustees may amend such Plan from time to time, provided that such amendments comply with the purposes above stated. A copy of each such amendment shall be adopted and filed by the Trustees as part of the records and minutes of the Trustees. The Pension Plan to be formulated by the Trustees shall be such as to qualify under the Internal Revenue Code, as amended, so that contributions of Employers to the Pension Fund will be deductible by such Employers for tax purposes under said Code, and approval of such Plan by the United States Treasury Department shall be obtained. The administration of such Plan and its terms and provisions, as amended from time to time, shall be such that it shall at all times be qualified under the Internal Revenue Code.

Section 4. The Trustees shall use and apply the property and assets of the Trust Fund created hereunder for the following purposes:

(a) To pay or provide for the payment of all reasonable and necessary expenses of collecting the Contributions and administering the affairs of the Fund, including but without limitation all expenses which may be incurred in connection with the establishment and maintenance of the Fund, the employment of such administrative, legal, accounting, actuarial and other expert and clerical assistance, the purchase or lease of such premises and the purchase or lease of such materials, supplies and equipment as the Trustees, in their discretion, find necessary or appropriate in the performance of their duties.

(b) To pay or provide for the payment of retirement or other benefits to eligible Employees and to such of their beneficiaries, if any, as the Trustees may determine, in accordance with the terms, provisions and conditions of the Pension Plan to be formulated and agreed upon hereunder.

(c) To establish and accumulate, if in their discretion the Trustees consider it advisable, adequate reserves to carry out the purposes of this Trust.

ARTICLE IV

TRUSTEES

Section 1. The Trustees under this Agreement and Declaration of Trust, who shall be Trustees of the Trusts created and established by Articles II and III hereof, shall be six in number, three of whom shall be Union Trustees and three of whom shall be Employer Trustees. The said Trustees shall be the named fiduciaries under

and one Employer Trustee shall be designated as Co-chairmen of the Board of Trustees.

Section 2. The Union Trustees shall be Nicholas J. Picarello, Kevin McCaffrey and Vincent Cangelosi.

Section 3. The Employer Trustees shall be Richard P. Muller, Peter Hassler and Frank Santanella.

Section 4. The Trustees named in the foregoing Sections 2 and 3 hereby accept the Trusts created and established by this Agreement and Declaration of Trust and consent to act as Trustees thereof and declare that they will administer the said Trusts as separate trusts. The signature of the Trustee to any counterpart or copy of this Agreement and Declaration of Trust shall be conclusive evidence of his acceptance as aforesaid.

Section 5. Each Trustee above named and each successor Trustee shall continue to serve as such until his death, incapacity, resignation or removal as herein provided.

Section 6.

(a) In the event that any Employer Trustee or successor Employer Trustee shall die, become incapable of acting, resign, fail to act, or be removed, then within five (5) business days thereafter a successor Employer Trustee shall be designated and appointed by the acting Employer Trustees; and upon the filing with the Board of Trustees, certifying the name of the successor Employer Trustee who has been so designated and the execution of a copy of this Trust Agreement by said successor Employer Trustee, then such designation shall be effective and binding in all respects.

(b) In case any Union Trustee shall die, become incapable of acting, resign or be removed, a successor Union Trustee shall be immediately designated by the Executive Board of the Union. Upon the filing with the remaining Trustees of a certificate in writing signed by the President or Secretary-Treasurer of the Union, and the signing of a copy of this Trust Agreement by said designated successor, such designation shall be effective and binding in all respects. Any Union Trustee or successor Union Trustee, may be removed at any time by the Union by filing with the remaining Trustees a certificate in writing to such effect executed by the President or Secretary-Treasurer of the Union.

(c) In the event of a vacancy or vacancies, until the designation of a successor Trustee or Trustees, as hereinabove provided, the remaining

Trustees shall have full power to act and shall act. A Trustee may resign and become and remain fully discharged from all further duty or responsibility hereunder upon giving thirty (30) days' notice in writing to the remaining Trustees, or such shorter notice as the remaining Trustees may accept as sufficient. The notice shall state a date on which such resignation shall take effect; and such resignation shall take effect on the date specified in the notice unless a successor Trustee shall have been appointed at an earlier date, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. Any Trustee may be removed from office at any time by the parties or entity which appointed such Trustee. Any Employer Trustee may be removed for just cause by an arbitrator on the complaint of any one or more Employer Trustees. The decision of the arbitrator shall be final and binding. The cost of arbitration shall be borne by the parties to the arbitration on an equal basis. The arbitrator shall be selected by the parties in accordance with the rules of the American Arbitration Association. The parties are defined as the Employer Trustee whose removal is sought and the Employer Trustees seeking removal.

Section 7. Any successor Employer Trustee or any successor Union Trustee shall immediately upon his designation as a successor Trustee and his signature on a copy of this Trust Agreement, become vested with all the property, rights, powers and duties of a Trustee hereunder with like effect as if originally named as a Trustee, and all necessary persons shall be so notified.

ARTICLE V

ADMINISTRATION OF THE TRUSTS

Section 1. The Trustees may exercise all rights or privileges granted to the policy holder by provisions of each insurance policy or allowed by the insurance carrier of such policy and may agree with such insurance carrier to any alteration, modification or amendment of such policy and may take any action respecting such policy or the insurance provided thereunder which they, in their discretion, may deem necessary or advisable, and such insurance carrier shall not be required to inquire into the authority of the Trustees with regard to any dealings in connection with such policy.

Section 2. The Trustees shall have the power to construe the provisions of this Agreement and Declaration of Trust and the terms used herein, any plan of benefits promulgated for the Welfare Fund, and the provisions of the Pension Plan. Any construction adopted by the Trustees in good faith shall be binding upon the Union; the Employees, their dependents and beneficiaries; and the Employers. The Trustees

shall be the sole judges of the standard of proof required in any pension or welfare matter, and the application and interpretation of the Welfare or Pension Plan, and decisions of the Trustees made in good faith shall be final and binding on all parties.

Section 3. The Trustees are hereby empowered in addition to such other powers as are set forth herein or conferred by law:

(a) To invest and reinvest such part of either Trust Fund as in their sole judgment is advisable and is not required for current expenditures in such securities (of any classification) as they may select in their sole discretion whether or not the same be authorized by law for the investment of trust funds generally.

(b) To buy, sell, exchange, lease, convey, or dispose of any property, whether real or personal, at any time forming a part of either Trust Fund upon such terms as they may deem proper and to execute and deliver any and all instruments of conveyance and transfer in connection therewith.

(c) To vote in person or by proxy upon securities held by the Trustees and to exercise by attorney any other rights of whatsoever nature pertaining to securities or any other property at any time held by them hereunder.

(d) To exercise options, conversion privileges, or rights to subscribe for additional securities and to make payments therefor.

(e) To consent to or participate in dissolutions, reorganizations, consolidations, mergers, sales, leases, mortgages, transfers or other changes affecting securities held by them and in connection therewith, and to pay assessments, subscriptions or other charges.

(f) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and Declaration of Trust and for the administration of either of the Trust Funds and to do all acts as they, in their discretion, may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on the parties hereto and on the employees and beneficiaries involved.

(g) To comprise, settle, arbitrate and release claims or demands in favor of or against the Trusts or either of them, on such terms and conditions as the Trustees may deem advisable.

(h) To keep property and securities registered in the name of the Trustees or in the name of a nominee or nominees or in unregistered or bearer form.

(i) To keep property or securities in the custody of a bank or trust company.

(j) To establish and accumulate as part of the Trust Funds or either of them a reserve or reserves, adequate, in the opinion of the Trustees, to carry out the purposes of either or both of such Trusts.

(k) To allocate between the Welfare Fund and the Pension Fund expenses not solely applicable to either of such Funds, on the basis of such ratio as the Trustees shall, from time to time in their discretion, deem proper.

(l) To borrow money in such amounts and upon such terms and conditions as shall be deemed advisable by the Trustees or proper to carry out the purposes of the Trusts and to pledge any securities or other property for the repayment of any such loans.

(m) To hold part or all of the funds of the Trusts uninvested.

(n) To pay out the funds of the Trusts all real and personal property taxes, income taxes and other taxes of any and all kinds levied or assessed under existing or future laws upon or in respect to the Trust Funds or any money, property or securities forming a part thereof.

(o) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary or proper for the protection of the property held hereunder.

Section 4. Trustees who receive full pay from an Employer or any Association of Employers, or from the Union shall not receive any compensation from the Trust Funds for their services but may receive reimbursement for expenses properly and actually incurred. A Trustee who does not receive full-time pay from an Employer or any Association of Employers, or from the Union, may receive reasonable compensation from the Trust Funds for services rendered by the said Trustee provided the Trustee's Employer does not compensate said Trustee to the Trust Funds for time spent on Trust Fund business or services rendered to the Trust Funds.

Section 5. The Trustees shall promulgate such requirements for the participation of new Employers in this Agreement and Declaration of Trust and such other rules and regulations as may, in their discretion, be deemed proper and necessary for the sound and efficient administration of the Trusts, provided that such requirements, rules and regulations are not inconsistent with this Agreement and Declaration of Trust.

Section 6. Neither the Trustees nor any individual or successor Trustee shall be personally answerable or personally liable for any liabilities or debts of the Pension Trust Fund or the Welfare Trust Fund contracted by them as such Trustees, or for the non-fulfillment of contracts, but the same shall be paid out of the Trust Fund chargeable therefor and the Trust Funds are hereby charged with a first lien in favor of such Trustees for his or their security and indemnification for any amounts paid out by such Trustee for an such liability and for his and their security and indemnification against any liability of any kind which the Trustees or any of them may incur hereunder; provided however, that nothing herein shall exempt any Trustee from liability arising out of his own misconduct, or entitle such Trustee to indemnification for any amounts paid or incurred as a result thereof.

Section 7. The Trustees shall be fully protected in acting upon any instrument, certificate, or paper believed by them to be genuine and to be signed or presented by the proper person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

Section 8. The Trustees shall not be liable for the proper application of any part of the Pension Fund and Welfare Fund or for any other liabilities arising in connection with the administration or existence of the Trust Funds except as herein provided.

Section 9. The Trustees may from time to time consult with the Trusts' legal counsel and shall be entitled to rely upon such advice of counsel to the Trusts as respects legal questions. The Trustees may from time to time consult with the Trusts' actuarial and insurance consultants and shall be entitled to rely upon their advice as respects actuarial and insurance questions. The Trustees may from time to time consult with the Trusts' certified public accountants and the Funds' auditor and shall be entitled to rely upon their advice as to accounting and auditing questions.

Section 10. The Trustees are hereby empowered to do all acts whether or not expressly authorized herein, which the Trustees may deem necessary to accomplish the general objectives of maintaining the Pension Plan and the Welfare Plan solely in the interest of the participants and beneficiaries for the exclusive purpose of (a) providing benefits to participants and beneficiaries; and (b) defraying reasonable expenses of administering each plan. Such actions shall be taken with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Such actions shall include the diversification of the investments so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and all such actions shall be in accordance with the documents and instruments governing each Plan insofar as such documents and instruments are consistent with applicable law.