

# CRAIG E. SIMMONS



September 14, 2011

U.S. Department of Labor  
Employee Benefit Security Administration - ERISA  
Los Angeles Regional Office  
1055 East Colorado Blvd., Suite 200  
Pasadena, CA 91106-2357

RE: ERISA Complaint - Breach of Fiduciary Duty and Self-Dealing  
**Screen Actors Guild – Producers Pension & Health Plans**  
**(EIN# 95-2110997 P501)**

Dear DOL Regional Director:

Pursuant to applicable ERISA regulations, I am submitting this complaint regarding ERISA violations occurring at the Screen Actors Guild- Producers Pension and Health Plans (SAG-PPHP.) As a former Executive with the Pension and Health Plans, I am alerting the U.S. Department of Labor to current and ongoing ERISA violations and request an independent investigation into civil and criminal wrongdoing by current Executives (*Bruce Dow – CEO; Chris Dowdell – COO; Amanda Bernard – Executive Director; and Michael Estrada, Executive Director*) of SAG-PPHP.

As you will see from the attached *August 23, 2011* correspondence sent to each SAG-PPHP Trustee (*individually at their listed address, attached*) there are numerous ERISA violations – which have not been investigated nor addressed by the Board of Trustees. Unfortunately, the Trustees have apparently chosen not to act on the information provided to them despite strong evidence of violations. As a result, I am now seeking an additional independent investigation into this troubling matter by the DOL.

Among other significant & troubling issues, I have provided substantial evidence and facts to the Trustees related to ongoing ERISA violations, including, but not limited to, the following:

- Executive failure to operate the Plan prudently and for the exclusive benefit of the participants.<sup>1</sup>
- Executives using Plan assets to benefit related parties to the Plan, including the Plan administrator and individuals related to this individual.<sup>2</sup>

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<sup>1</sup> In complaints to the SAG-PPHP Board Trustees, it has been disclosed that the CEO (Bruce Dow) has been using Plan assets and Plan opportunities for his own and his family's (Sharman Dow/Michael Bugbee, etc.) financial gain.

- Executives failing to properly and competitively select and monitor Plan service providers, while requesting private donations to religious entities from these providers.<sup>3</sup>
- Executives taking adverse actions, including termination, against individuals for exercising rights under the Plans, and for refusing to participate in misleading the Board of Trustees and deceiving the DOL.<sup>4</sup>
- Executives participating in kickback and directed financial interests to related and religiously –connected parties.
- Executives using insider information regarding Plan investments and purchasing individual securities and investment vehicles to make use of his information before it is known to the market.<sup>5</sup>
- Executives participating in prohibited transactions, under ERISA, by parties-in-interest and by disqualified persons. Executives regularly participate in self-dealing arrangements to secure personal financial advantage.<sup>6</sup>
- Executives making false statements to the DOL and encouraging other Executives to make false statements to the DOL within the context of ongoing investigations.
- Executives failing to report significant criminal activity and substantial financial theft and embezzlement from the Plans by former Executives in order to pursue political advantage with merging union.<sup>7</sup>

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<sup>2</sup> Sharman Dow’s various USI agreements with SAG-PPHP allow for Dow’s wife to receive substantial commissions and business advantages for her business – as directed by Dow. SAG-PPHP Accounts Payable records and USI commission invoices will confirm payments.

<sup>3</sup> Service providers, such as Delta Dental, Anthem Blue Shield, VSP and Value Options have all been asked by Dow to financially support and provide contributions to King’s College – a Four Square Church affiliate upon which Mr. and Mrs. Dow play management roles on Boards. Donation records to King’s College will confirm payments.

<sup>4</sup> As outlined on pages 6-7 of my letter to Board Trustees, I outline specific directions requested by Dow – in which I refused to mislead and provide erroneous information to the DOL investigators. After my refusal, I was terminated from my employment as an Executive of SAG-PPHP.

<sup>5</sup> Executive Michael Estrada informed me that both he and CEO Dow were using investment information, and the timing of Plan purchases of stocks and funds, for their personal accounts, to benefit from insider information they possessed about the investment strategy of the Plan’s \$250 million pension – using information for their own personal financial gain. Estrada and Dow personal & family stock funds can be reviewed to confirm trading activity.

<sup>6</sup> Using Trust funds for personal gain can be considered **racketeering**, -a “*pattern of illegal activity carried out as part of an enterprise that is controlled by those who are engaged in the illegal activity – including embezzlement from a pension trust fund.*”

- Executives concealing facts from DOL investigators related to theft and embezzlement from the Plans – as required under ERISA (18 U.S.C. Section 1027.)

I have made specific complaints to the SAG-PPHP Board of Trustees about the improper actions and breach of Fiduciary Duties on two separate occasions – first, on *March 24, 2011* (prior to my termination) and then again on *August 22, 2011*. As of this date, no action has been taken by the Trustees to either investigate or address the serious breach of duty. As a result, I have informed the Trustees that, lacking any specific response or action, I will notify the DOL and other appropriate regulators so that a proper investigation can be commenced.

Again, in early 2011, I was personally asked by the CEO (Dow) of SAG-PPHP to mislead the Board of Trustees and the DOL regarding an ongoing investigation into the financial arrangement between the CEO and his wife and substantial financial advantage provided to her through her insurance business, as well as the CEO's brother-in-law and his "*phantom job*" at the plans – which provided him with an ongoing salary, management-level benefits and a life-time retirement pension payment. I was also told by the CEO not to discuss or report the size of the \$5 - \$10 million embezzlement scheme by the former CIO (Nader Karimi.) When I refused to participate in the deception, my responsibilities to respond to the DOL were immediately shifted (to Executive Barnard) and I was summarily dismissed from my employment with SAG-PPHP (See Footnotes #4 & #6, below) on *March 25, 2011*.

I encourage you to thoroughly review the attached correspondence, as it contains additional independent verification mechanisms (ADP Payroll reports, USI billing records, King's College donation reports, etc.) I am also available to speak with you, either in person or by phone, at your convenience. I can provide additional information and details about the ongoing wrongdoing at SAG-PPHP by the CEO and Executives if you feel it is necessary. I can be reached through my phone at [REDACTED] or by e-mail at [REDACTED].

Thank you for your attention to this matter.

Sincerely,

Craig E. Simmons

Attachments (*Trustee Letter & List of SAG-PPHP Trustees*)

Cc: Steven Freeburg, *Attorney at Law*

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<sup>7</sup> Dow denied that the Plans' had any substantial embezzlement activity/loss or claim filed against the Plan's CHUBB Fiduciary Policy directly to the DOL (and on the Form 550 Dow submitted) – at the time he knew this information was false. Dow also demanded that Plan Executives mislead the DOL when questioned about self-dealing actions (Sharman Dow/Bugbee) or embezzlement activities (DOL) Dow attempted to keep the information secret so as to encourage the merger of the SAG-PPHP with the AFTRA pension and health plans.