

In order to provide for the legal defense of its members, The Professional Law Enforcement Association, Inc. (the “Plan Sponsor”), established the following plan of legal services, known as the **Professional Law Enforcement Association, Inc., Legal Defense Fund** (the “Plan”). This document describes the terms of the Plan in effect as of **October 1, 2008**.

THE PLAN

The Plan will pay a *participant’s legal fees* for the following matters arising directly from a *duty related incident*, as defined below.

- A. Defense of **criminal** charges, including all hearings or appearances before any court of Federal, State or local government, in which the *participant* is a defendant.
- B. Advice, consultation, and preparation for a **grand jury** investigation hearing conducted against a *participant*.
- C. Defense of **civil** lawsuits.
- D. Defense of **administrative** proceedings arising directly from incidents involving a member of the public.

DEFINITIONS

CLAIM means a request for Plan benefits made by providing a *notice*.

COVERAGE means benefits payable under the Plan.

DUTY RELATED INCIDENT means an actual or alleged act or omission of the *participant* while acting within the scope of his or her authority as a law enforcement officer for which criminal charges or civil or administrative actions are brought against the *participant*, and first reported to the Claims Administrator while the *participant* is covered by the Plan. **A *duty related incident* can occur on or off duty.**

LEGAL ACTION means a lawsuit, proceeding, criminal charges, or other legal or administrative action resulting from a *duty related incident*.

LEGAL FEE means the amount charged the *participant* for legal services by an attorney, not to exceed the **reasonable, usual and customary fee** charged by attorneys for a given service in the area where the service is rendered.

NOTICE means a written report of a *duty related incident* or a *legal action* made to the Claims Administrator. A *notice* must include sufficient information to identify the *participant* and the time, place, and circumstances of the *duty related incident* and the nature of the *legal action*.

PARTICIPANT means a member of The Professional Law Enforcement Association, Inc., in good standing and who is registered with the Plan as entitled to benefits under the terms of the Plan.

PARTICIPATING ATTORNEY means a lawyer with whom the Plan has contracted to perform covered legal services for a *participant*.

REIMBURSABLE COSTS means approved filing fees, court costs, and transcripts.

EFFECTIVE DATE OF COVERAGE

Once an eligible individual has been approved by the Plan Administrator as a *participant*, *coverage* under the Plan begins on the first day of the next calendar month.

PARTICIPANT CONTRIBUTIONS

Contributions to the Plan must be made by or on behalf of each *participant*. The amount and due dates of a *participant's* contributions are determined by the Plan Administrator.

EXCLUSIONS

There is no coverage for:

- A. Any act or omission that is **not** a *duty related incident*.
- B. The cost of **bail bonds, appeal bonds, or other bonds**.
- C. The payment of **judgments, awards, settlements, fines** or **penalties** of any kind.
- D. Any *duty related incident* occurring **prior to the effective date** of the *participant's* eligibility, if the *participant* at the effective date **knew or could have reasonably foreseen** that the *duty related incident* might be expected to be the basis of a *legal action*.
- E. Under Benefit C (**defense of civil lawsuits**), any *duty related incident* for which representation is provided by a motor vehicle liability insurance policy or an employer's self-funded motor vehicle liability coverage.
- F. Any *duty related incident* in litigation or potential *claim* of which the *participant* is aware and has knowledge as of the effective date of the *participant's coverage*.
- G. Under Benefit D (**defense of administrative proceedings which arise from incidents involving the public**), defense of administrative proceedings based on intentional breaches of the rules and regulations of the *participant's* employer.
- H. Any *legal action* or dispute between a *participant* and his or her fellow employees, whether the fellow employees are law enforcement officers or other governmental employees.

LIMITATIONS

Legal fees are fully paid when using a participating attorney. If the *participant* uses an attorney who is not a *participating attorney*, the Plan pays the *participant's legal fees*, up to the amounts shown in the "Non-Participating Attorneys Indemnity Schedule."

Plan benefits are paid solely from funds held in a trust titled "The Professional Law Enforcement Association, Inc. Legal Defense Fund" (the "Fund"). In the event that the Fund's assets are exhausted, no Plan benefits will be payable unless and until the Fund acquires additional assets. The Professional Law Enforcement Association, Inc., is not responsible for the obligations of the Fund.

With respect to Plan benefits for defense of civil actions, when *participants* are co-defendants in a civil action in which their employer is also named as a defendant and has a duty to provide defense, and unless there is a substantial legal conflict in the positions of the *participants*, **the Plan covers the fees of only one attorney to represent all participants.**

CONDITIONS

IF A PARTICIPANT BECOMES AWARE OF A DUTY RELATED INCIDENT OR LEGAL ACTION, THE PARTICIPANT MUST:

1. Provide a *notice* (or have a *notice* provided on his or her behalf) to the Claims Administrator within 14 business days after the date of the *duty related incident* or the date the *participant* is notified of the *legal action* and while the *participant* has *coverage* under the Plan. **Only duty related incidents or legal actions reported in writing to the Claims Administrator while the participant's coverage is in effect are covered by the Plan.**
2. Assist and cooperate with the Claims Administrator.
3. Immediately notify the Claims Administrator in writing of any additional *legal actions* related to the original *duty related incident* of which the *participant* is notified or becomes aware.

EXTENDED REPORTING PERIOD

A *participant* is entitled to an Extended Reporting Period if the *participant's coverage* under the Plan terminates because:

- A. the Plan Administrator cancels or refuses to renew *coverage* (other than for nonpayment of premiums by the *participant* or the *participant's* group), or
- B. the *participant* becomes ineligible for *coverage* because of retirement or termination of employment.

The *participant's* EXTENDED REPORTING PERIOD applies to any covered actual or alleged *duty related incident* that occurred before the effective date of the termination of the *participant's coverage*. A *participant* entitled to the EXTENDED REPORTING PERIOD for a *duty related incident* must provide *notice* of the *duty related incident* to the Claims Administrator within 180 days after the effective date of the termination of the *participant's coverage*. The *participant* will have Plan *coverage* for any *legal action* with respect to that *duty related incident* if the *participant* provides *notice* of the *duty related incident* to the Claims Administrator during the EXTENDED REPORTING PERIOD.

The EXTENDED REPORTING PERIOD is not available if the *participant's coverage* terminates under any circumstances other than the situations described above. This includes termination of the *participant's coverage* because the *participant's* group terminates its group coverage under the Plan.

RENEWAL

Coverage under the Plan is renewable each year at the option of the Plan Administrator.

TERMINATION OF COVERAGE

A *participant's coverage* under the Plan automatically ends on the earliest of the following events:

- A. The *participant's* failure to maintain his or her eligibility for participation (e.g., termination of the *participant's* membership in PLEA, *participant's* termination of covered employment including retirement from covered employment);
- B. The *participant's* failure to pay required contributions within 31 days of the due date (coverage ends on the due date);
- C. The *participant's* voluntarily cancellation of *coverage* by giving notice;
- D. Termination of the Plan by the Plan Sponsor; or
- E. The Plan Administrator's decision to cancel or not renew the *participant's coverage*, either individually or as part of a group.

If a *participant's coverage* is terminated because of any of the above events, the Plan will refund unearned contributions, calculated on a pro rata basis.

CANCELLATION

A *participant* may cancel his or her *coverage* under the Plan by giving the Plan Administrator written notice. *Coverage* ends as of the first day of the calendar month beginning after the date of the notice.

PLAN PERIOD – TERRITORY

The *coverage* provided by the Plan applies to *duty related incidents* reported while the *participant* is covered by the Plan, but only for any *legal action* brought within the **United States of America**.

CHOICE OF COUNSEL

A *participant* has the free and unrestricted right to **employ an attorney of his or her choice**. The Plan has no obligation to recommend counsel and is not a guarantor in any manner of the skill of counsel chosen by *participant*, even if the attorney is a *participating attorney*.

RELATIONS OF THE PARTIES

Attorneys engaged to perform legal services for *participants* under the terms of this Plan are not agents or employees of the Plan. An attorney rendering legal services to *participants* for which *coverage* is available under the Plan maintains the attorney-client relationship solely with *participant*. The attorney is solely responsible to *participant* for all legal services provided. The Plan will not interfere with or control the performance of the attorney. Information from legal records of *participants* and information received by the attorney incidental to the attorney-client relationship is to be kept confidential and, except for the use incidental to the administration of this Plan, will not be disclosed without the consent of the *participant*.

SUPPLEMENTAL BENEFIT

A. DEFENSE OF OTHER EMPLOYMENT DISCIPLINARY PROCEEDINGS.

If a *participant* has purchased this benefit, legal representation will be provided for defense of covered administrative actions brought against the *participant* involving **demotion, transfer, termination or suspension.**

The administrative action must arise out of a specific incident covered by this supplemental benefit. Coverage is not provided for administrative actions based on allegations of repeated courses of action or conduct, including but not limited to repeated courses of action or conduct that are appropriately the subject of union representation or grievance proceedings.

Coverage will be provided even if the administrative action is based on incidents that do not fall within the Plan definition of *duty related incident* and even if the incidents do not involve dealing with the public.

MAXIMUM BENEFIT

The *coverage* limit for this supplemental benefit is **\$5,000 per incident, and \$10,000 lifetime aggregate limit.**

TERMS AND CONDITIONS

All terms and conditions of the Plan apply to this Supplemental Benefit.

SCHEDULE OF BENEFITS

**PARTICIPATING ATTORNEYS
PAID IN FULL**

BENEFIT	MAXIMUM BENEFIT
A. DEFENSE OF CRIMINAL CHARGES	PAID IN FULL
B. ADVICE, CONSULTATION & PREPARATION FOR GRAND JURY HEARINGS	PAID IN FULL
C. DEFENSE OF CIVIL LAWSUITS	PAID IN FULL
D. DEFENSE OF ADMINISTRATIVE PROCEEDINGS WHICH ARISE FROM INCIDENTS INVOLVING THE PUBLIC, NOT INCLUDING NON DUTY – RELATED PERSONNEL PROCEEDINGS	PAID IN FULL

Reimbursable costs are paid in full. However, the limitation for investigative fees in connection with the above covered matters is \$1,000, and the limitation for expert witness fees is \$3,500.

**NON-PARTICIPATING ATTORNEYS
INDEMNITY SCHEDULE**

BENEFIT	MAXIMUM BENEFIT
A. DEFENSE OF CRIMINAL CHARGES	
1. Pleading and preparation prior to trial	\$9,500
2. Up to \$700 per day of trial	\$9,500
B. ADVICE, CONSULTATION AND PREPARATION FOR GRAND JURY HEARING	\$2,500
C. DEFENSE OF CIVIL LAWSUITS	
1. Pleading and preparation prior to trial PLUS	\$9,500
2. Up to \$700 per day of trial	\$9,500
D. DEFENSE OF ADMINISTRATIVE PROCEEDINGS WHICH ARISE FROM INCIDENTS INVOLVING THE PUBLIC, NOT INCLUDING NON DUTY – RELATED PERSONNEL PROCEEDINGS	\$9,000
E. SUPPLEMENTAL BENEFIT (If Purchased by Member) DEFENSE OF OTHER EMPLOYMENT DISCIPLINARY HEARINGS (\$10,000 LIFETIME AGGREGATE)	\$5,000

In addition to the amounts shown above for Coverages A, B, C, and D, *reimbursable costs*, investigative fees, and expert witness fees are covered for up to a total of \$1,000 combined.

The fees for non-participating attorneys are payable at the rate of \$85 per hour.

YOUR RIGHTS AS A PARTICIPANT

As a *participant* you cannot be discriminated against under the Plan by reason of or on the basis of race, religion, sex, or ethnic background.

The Plan Administrator intends to operate the Plan in full compliance with the Americans with Disabilities Act. If you are a disabled *participant* and have difficulty accessing your benefits due to your disability, please contact the Plan in writing at P.O. Box 1197, Troy, Michigan 48099-1197 or by calling 800 367-4321, so that special arrangements can be made.

APPLICABLE INSURANCE

Coverage under the Plan is **excess over, and will always be secondary to, coverage under any applicable insurance, legal plan, trust, pool, risk retention, or captive insurance coverage** available to the *participant*. However, Plan *coverage* is not reduced by the availability of

representation provided by any governmental entity or employer. The benefits of the Plan do not inure to the benefit of any governmental entity or employer.

ASSIGNMENT

A *participant's* interest under the Plan is not assignable. The Plan Administrator may use amounts payable under the Plan to make direct payments to attorneys who provide covered services to *participants*. No amount payable under the Plan at any time is subject in any manner to alienation by assignment of any kind. Any attempt to assign any amount payable under the Plan, whether currently payable or payable in the future, is void.

CHANGE OF ATTORNEY

The Plan covers *legal fees* of one attorney from commencement to termination of a *claim*. If the *participant* desires to change to a different attorney or to use more than one attorney, the Plan will cover the *legal fees* of the different or additional attorney only if the Plan Administrator, in its sole discretion, determines that there is good cause to do so, and the *participant* agrees in writing to pay any costs, as determined by the Plan Administrator, resulting from the duplication of legal services.

PLAN ADMINISTRATOR'S RIGHTS

The Plan is administered by the Professional Law Enforcement Association, Inc., acting as the Plan Administrator. The Plan Administrator is the named fiduciary of the Plan, which means that it has the responsibility of making the rules under which the Plan is run, and seeing that the Plan is administered in accordance with all legal requirements. The Plan Administrator has the exclusive right to interpret, administer and construe the Plan in its full discretion, including the right to determine eligibility for benefits, make factual determinations, construe ambiguities, and correct omissions. Any action taken by the Plan Administrator will be in a uniform and non-discriminatory manner.

FUNDING OF PLAN BENEFITS

Benefits are provided from the Fund's assets, which are accumulated under the provisions of the Trust Agreement and are held in the Fund for the exclusive purpose of providing benefits to covered *participants* and defraying reasonable expenses of administration. None of the assets in the Fund may revert to the Plan Sponsor or be used by the Plan Sponsor other than to provide Plan benefits or to pay the reasonable costs of administering the Plan.

AMENDMENT OR TERMINATION OF PLAN

Although the Plan Sponsor intends to continue the Plan indefinitely, the Plan Sponsor reserves the right to amend or modify the Plan from time to time, or terminate the Plan, in whole or in part, at any time. The Plan Sponsor also reserves the right to amend or terminate the Fund, in whole or in part, at any time in accordance with the provisions of the Trust Agreement. Any amendment to the Plan or to the Trust Agreement must be in writing and signed by an authorized officer of the Plan Sponsor.

If the Plan is amended to reduce or eliminate *coverage, duty related incidents* and *legal actions* reported before the amendment date will be covered under the terms of the Plan before amendment. If the Plan is terminated, *coverage* will only be provided for *duty related incidents* and *legal actions* reported before the effective date of termination. Plan assets held in the Fund will be used for pre-

termination benefits until the Fund is exhausted. Any Plan assets remaining in the Fund after all pre-termination benefits are paid will be distributed as required under the terms of the Trust Agreement.

BENEFIT CLAIMS AND REVIEW

A *participant* is only treated as filing a *claim* for Plan benefits when the *participant*, or the *participant's* attorney acting on the *participant's* behalf, submits a *notice* of a *duty related incident* or a *legal action* to the Claims Administrator. For purposes of the Plan's claims and review procedures, a *participant* is not treated as filing a *claim* for Plan benefits when the *participant* or the *participant's* attorney asks the Claims Administrator by telephone if *coverage* is available to the *participant* for a particular *duty related incident* or *legal action*.

The Claims Administrator will notify a *participant* in writing if the *participant's* claim for Plan benefits is denied, within the time periods described below. The notice will set forth:

- A. The specific reason or reasons for the denial;
- B. Reference to the specific Plan provisions on which the denial is based;
- C. A description of any additional material or information necessary for the *participant* to perfect the claim and an explanation of why the material or information is necessary; and
- D. A description of the Plan's review procedures and the time limits applicable to the review procedures, including a statement of the *participant's* right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), if the claim for benefits is denied on review.

The Claims Administrator will provide the written notice to the *participant* as soon as possible, but not more than 90 days after the Claims Administrator receives the *participant's* claim, unless the Claims Administrator determines that an additional period of time, not to exceed 90 days, is required because of matters beyond the control of the Plan. If an additional period of time is required, the Claims Administrator will notify the *participant* in writing of the circumstances requiring the extension of time and the date by which the Claims Administrator expects to render a decision.

If the Claims Administrator notifies a *participant* that the Claims Administrator has denied all or part of the *participant's* claim, the *participant* may request a review of the denial. The *participant* or the *participant's* authorized representative must notify the Review Committee of the Plan Sponsor in writing of the *participant's* request for a review of the denial within 60 days after the *participant* receives written notice of the denial from the Claims Administrator.

The Review Committee will give the *participant* or the *participant's* authorized representative the opportunity to submit written comments, documents, records, and other information relating to the *participant's* claim for Plan benefits.

Upon request and free of charge, the *participant* or the *participant's* authorized representative will be provided reasonable access to, and copies of, all documents, records, and other information relevant to the *participant's* claim for benefits.

The Review Committee's review will take into account all comments, documents, records, and other information submitted by the *participant* or the *participant's* authorized representative relating to the

claim, without regard to whether the information was submitted or considered by the Claims Administrator.

The Review Committee will notify a *participant* in writing of the Review Committee's decision upon review. The notice will set forth:

- A. The specific reason or reasons for the decision;
- B. Reference to the specific Plan provisions on which the decision is based;
- C. A statement that the *participant* is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the *participant's* claim for benefits; and
- D. A statement of the *participant's* right to bring an action under Section 502(a) of ERISA.

The Review Committee will make its decision no later than 60 days after the date the Review Committee received the request for review. However, if the Review Committee determines that special circumstances require an extension of time for processing the review request, the Review Committee will notify the *participant* in writing before the end of the initial 60-day period. The notice to the *participant* will indicate the special circumstances requiring the extension of time and the date as of which the Review Committee will make its decision, which must be within 120 days after the date the Review Committee received the request for review.

The decision of the Review Committee is final.

A *participant* may not bring legal action against the Plan, the Plan Administrator, the Claims Administrator, or the Review Committee before the *participant* has exhausted these claim and review procedures. A *participant* must bring any legal action within 180 days after the date of the Review Committee's decision or the legal action will not be permitted.

SUBROGATION

In certain situations, the Plan has the right to be reimbursed for or recover the amount of benefits paid to on behalf of a *participant*. These situations include cases when the Plan has overpaid benefits, when the amount paid by the Plan should have been paid by another plan, program or insurance, or when the *participant* incurred the legal expenses paid for by the Plan because of the negligence or wrongdoing of another party. If one or more of these situations occur, the Plan has the right to offset future amounts payable by the Plan to on behalf of the *participant*. The Plan also has the right to sue a third party to recover amounts that may be recoverable by the *participant* if the *participant* were to sue the third party. This is called the Plan's right of subrogation. When a *participant* accepts Plan benefits, the *participant* automatically accepts these terms.

THE EMPLOYEE RETIREMENT INCOME SECURITY ACT

Participants in the Professional Law Enforcement Association Legal Defense Fund are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan *participants* are entitled to:

Receive Information About The Plan and Benefits

Examine, without charge, at the Plan Administrator's office and other specified locations such as union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each *participant* with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan *participants*, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of all Plan *participants* and beneficiaries. No one, including a *participant's* employer, union, or any other person, may fire a *participant* or otherwise discriminate against him or her in any way to prevent him or her from obtaining a Plan benefit or exercising his or her rights under ERISA.

Enforce Your Rights

If a *participant's* claim for a welfare benefit from the Plan is denied or ignored, in whole or in part, the *participant* has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps a *participant* can take to enforce the above rights. For instance, if a *participant* requests a copy of Plan documents or the latest annual report from the Plan Administrator and does not receive them within 30 days, he or she may file suit in Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the *participant* up to \$110 per day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If a *participant* has a claim for benefits which is denied or ignored, in whole or in part, the *participant* may file suit in a state or Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if a *participant* is discriminated against for asserting his or her rights, he or she may seek assistance from the U.S. Department of Labor, or he or she may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If the *participant* is successful, the court may order the person who was sued to pay these costs and fees. If the *participant* loses, the court may order him or her to pay these costs and fees, for example, if it finds the claim is frivolous.

Assistance With Your Questions

If a *participant* has any questions about the Plan, the *participant* should contact the Plan Administrator. If a *participant* has any questions about this statement or about his or her rights under

ERISA, or if the *participant* needs assistance in obtaining documents from the Plan Administrator, the *participant* should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, D.C. 20210

A *participant* may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

OTHER IMPORTANT FACTS

Plan Sponsor	Professional Law Enforcement Association, Inc. P.O. Box 1197 Troy, Michigan 48099-1197
Plan Name	Professional Law Enforcement Association Legal Defense Fund
Employer identification number assigned to the Plan Sponsor by the Internal Revenue Service	38-6679709
Plan Number	501
Fiscal year end date	December 31
Plan Administrator	Professional Law Enforcement Association, Inc. P.O. Box 1197 Troy, Michigan 48099-1197 1-800-367-4321
Agent for Service Of Legal Process	Professional Law Enforcement Association, Inc. 630 N. Main Street Clawson, MI 48017 1-800-367-4321
Claims Administrator	Professional Law Enforcement Association, Inc. P.O. Box 1197 Troy, MI 48099-1197 1-800-367-4321
Type of Plan	Group Legal Services (Welfare Benefit Plan)
Source of Contributions	<i>Participants, participants'</i> employers, and <i>participants'</i> professional and fraternal organizations

Funding Method

Trust

TRUSTEES:

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P.O. Box 1197
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1-800-367-4321

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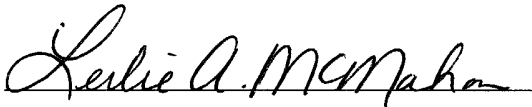
LIMITATION OF RIGHTS

None of the following:

- A. The establishment of the Plan or the Legal Defense Fund;
- B. Any modifications to the Plan or the Fund;
- C. The creation of any other fund or account; or
- D. The payment of any Plan benefits,

gives any *participant* or any other person any legal or equitable rights against The Professional Law Enforcement Association, Inc., or its trustees, officers, or employees, or the Legal Defense Fund or its trustees, agents, or employees, except as provided in the Plan and in the Trust Agreement for the Legal Defense Fund.

PROFESSIONAL LAW ENFORCEMENT ASSOCIATION, INC.
“Plan Sponsor”

By: 

Name: Leslie A. McMahon

Title: Executive Director

Date: October 1, 2008