



America's Most Trusted Professional Employer Organization

Corporate Snapshot

Leading Provider of HR and Risk Management Solutions in the Transportation Industry

Organization Details



- **Founded:** 1985
- **Headquarters:** Brooklyn Center, MN
- **Additional Locations:** Chesterton, IN & Detroit Lakes, MN
- **Internal Employees:** 115

800+
Clients

14,500
Current WSEs

23,856+
Drivers Screened in
2015

81.7%
Driver Applications
process in < 24 hrs.

83.8%
Driver Applications
Approved

96.3%
2015 Client WSE
Retention

Company Overview

- Comprehensive solution set, including workers compensation, payroll, benefits, risk management, compliance, and administrative services
- Professional Employer Organization (“PEO”) wherein clients’ employees enter into a co-employment agreement and shift the workers compensation expense, HR payroll costs and risk management tasks to TLC
- Serves over 800 small and midsize businesses. Clients in 45 states with over 14,000 combined worksite employees (“WSEs”)
- Relationships with industry-leading partners including:

CHUBB
Workers’ Compensation
Insurance

aetna
Employee
Insurance Provider

YORK
Risk Services Group
Third-Party
Administrator

SLAVIC
401K
Employee 401K
Program

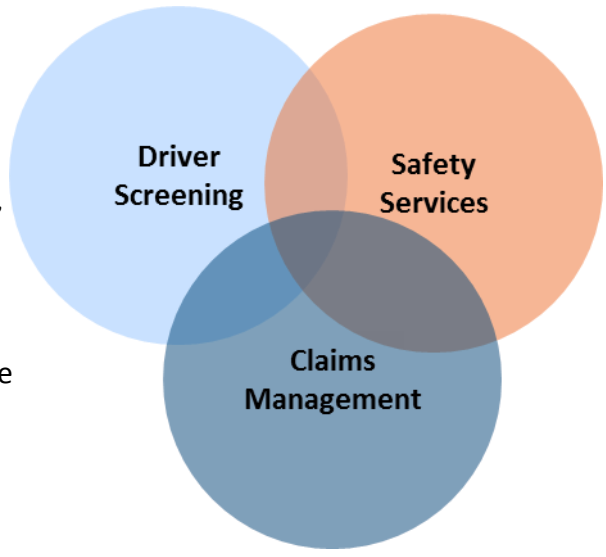
Colonial Life
Making benefits count.
Ancillary Employee
Benefits

TLC Solutions

Comprehensive Suite of Risk Management & Compliance Solutions

Who We Are

The TLC Companies is a transportation specific risk management company that provides a competitive workers compensation solution to its customers that includes employee screening, payroll services, tax filing, unemployment claims management, workers compensation claims management, safety services and basic health benefit options in a turnkey solution. These core services are wrapped into a state of the art HRIS platform that provides live time access for clients and employees. **The market differentiator is the TLC Companies' world class risk management competencies.**



Core Offerings

- | | |
|------------------------------|--|
| Risk Management | <ul style="list-style-type: none">• Receive and process all employee applications• Complete MVR, DOT and background checks |
| Driver Screening | <ul style="list-style-type: none">• Track license, med-card and long form physical renewals |
| Driver Safety | <ul style="list-style-type: none">• On site safety support visits, mock DOT audit and DOT record-keeping training |
| Compliance | <ul style="list-style-type: none">• Return to work programs, worksite safety programs, OSHA compliance assistance• safety incentives |
| Workers' Compensation | <ul style="list-style-type: none">• Provide workers compensation insurance through Chubb Insurance• Claims management from first report to close |
| WC Insurance | <ul style="list-style-type: none">• Manage injury claims and return to work programs |
| Claims Management | <ul style="list-style-type: none">• Direct all claims closure and subrogation actions |
| Loss Control | <ul style="list-style-type: none">• Major case management team |
| HR Support | <ul style="list-style-type: none">• 800 number support line for employees and clients• Handbook support and development• EEOC support and guidance• Employee termination guidance and support |
| Employee Handbook | <ul style="list-style-type: none">• HR Toolbox – support on hiring, managing and directing employees |
| Managerial Support | <ul style="list-style-type: none">• Live support via legal department for HR needs |
| HR Compliance | |

TLC Solutions

Best in Class Safety Programs & Work Comp Claims Management

TLC's DRIVER SAFETY PROGRAMS

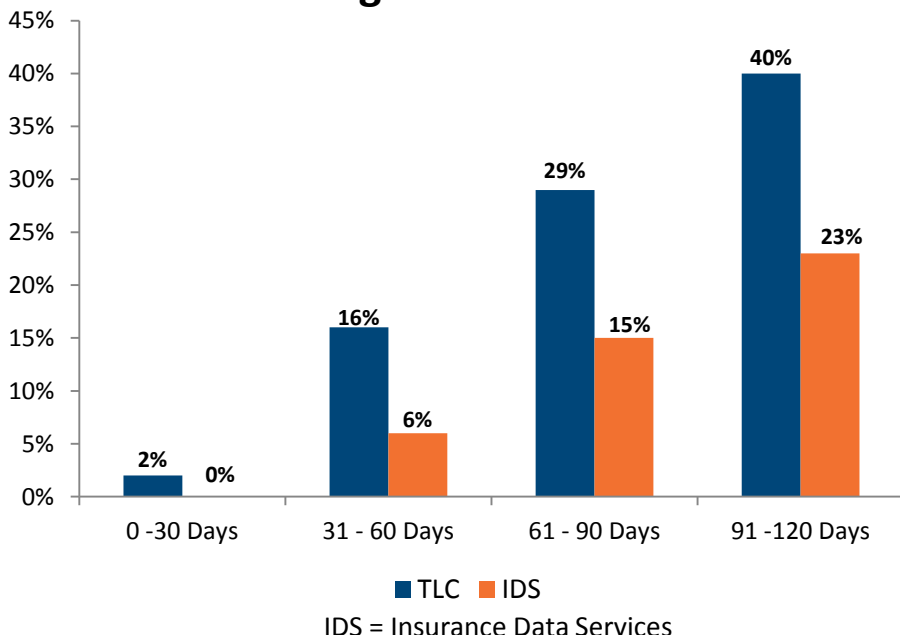
- TLC also employs three safety training professionals who visit trucking clients with eight or more employees at least annually to keep safety issues in front of drivers
- Safety Professionals are all Certified Directors of Safety (CDS) or Certified Safety Professionals (CSP)
- TLC actively assists in managing driver safety with programs, including:
 - Loss control programs
 - OSHA compliance assistance
 - Training materials
 - Reward programs
 - Recognition programs
 - Customized safety programs



- Safety audits
- Customized safety manuals
- Safety review and policy development
- Employee handbooks
- Personnel guides, forms and policies
- Drug-free workplace programs

TLC vs TRADITIONAL MARKET & OTHER PEO'S

Percentage of Closed Claims



Almost 2x better than standard market in closing claims

- TLC Employee Claims Managers
- Field Based Safety Professional
- Extensive Return to Work programs
- Vested investment in TLC Deductible

TLC Solutions

Comprehensive Driver Screening Platform and Compliance Solutions

TLC's DRIVER SCREENING PROGRAM

- Our First priority is to get qualified drivers into your trucks as soon as possible
- Minimum requirements (DOT)
 - ✓ Drivers are 21 years of age or older
 - ✓ Drivers have at least six months of tractor trailer driving experience and have no major traffic violations in the past five years
 - ✓ No more than one reportable DOT accident in the past three years
 - ✓ No drug or alcohol offenses within the past three years
 - ✓ No felonies within the past seven years
 - ✓ Physically able to work
 - ✓ Ability to pass a drug test

The collage shows several overlapping forms used in driver screening:

- Illinois CDLIS System Report:** Includes fields for Report Search Date (01/12/2006), License Number, and Driver Name (JOHN DOE).
- U.S. Department of Justice Criminal Justice Performance Services (CJPS) Report:** A report from the Federal Bureau of Investigation, Criminal Justice Performance Services Division, Clarksburg, WV 26306.
- PSP Detailed Report:** A comprehensive report from the Federal Motor Carrier Safety Administration. It includes sections for Driver Information, Crash Activity (3-year history), Inspection Activity (3-year history), and Violation Summary. The report contains multiple tables with columns for Date, DOT #, Carrier Name, Driver Name, State, Status, Age, and various violation codes.

- Companies Driver requirements are loaded into our system for driver screening.
- MVR/Criminal Background/CDLIS/State license check/med card verification reports are run and stored in virtual file cabinet for hired drivers
- TLC will handle the previous DOT employee verification
- The driver will be screened against TLC Companies driver data base
- Our goal is to get the driver screened and qualified prior to the drug screen results

TLC Solutions

Transportation Specific Payroll Processing Platform

OUR PAYROLL TEAM

- Most tenured team in The TLC Companies (7 year average)
- Payroll Management are Certified Payroll Professionals (CPP)
- Payroll Coordinators get certified with Fundamental Payroll Certified (FPC)
- TLC Clients have a single point of contact for processing payroll

PAYROLL OPERATIONS ADVANTAGES

- **CLIENT DICTATES PAYROLL SUBMISSION PROCESS**
- Payroll Services platform designed and supported exclusively for transportation industry with ability to process up to 10 pay codes per employee
- Live time updates to meet the ever changing Federal and State tax codes. No need to make retroactive adjustments
- Ability to pay drivers via live check, direct deposit or payroll debit card
- Complete garnishment management which includes the complete understanding of complex laws/regulations , levies and other deductions
- W2 processing
- Technology to link directly to dispatching system
- Payroll submission provided in fax, electronic, or live system entry.
- On site check printing to avoid the cost and exposure of overnight delivery
- Quarterly audits completed by a Big Four auditing firm to ensure timely and accurate tax payment.
- **** The TLC Companies does have the ability to process Independent Contractor settlement checks ****

PAYROLL PROCESSING AUTOMATION



TLC Solutions

Transportation Specific Payroll Processing Platform

100% COMPLIANT WITH FEDERAL, STATE & LOCAL TAX JURISDICTIONS



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Transport Labor Holding Company, Inc.
Brooklyn Center, Minnesota

We have examined management's assertion regarding the compliance of Transport Leasing/Contract, Inc., Payroll Plus Corporation, and The Labor Source, Inc. (the Companies) with payroll tax withholding, payment, and the related government form filing requirements for the three-month period ended June 30, 2016. These assertions are included in the accompanying Report on Payroll Tax Compliance for the three-month period ended June 30, 2016. Management is responsible for the Companies' compliance with the withholding, payments, and filing requirements and is responsible for its own assertions regarding such compliance. Our responsibility is to express an opinion on management's assertions about the Companies' compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Companies' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the compliance of the Companies with specified requirements.

Because of the complexity and uncertainties inherent in applying the many federal and state tax withholding laws, various reporting positions taken by the Companies may be subject to review, challenge, and assessment by the taxing authorities. The Companies are not currently under examination by taxing authorities relative to federal and state withholding taxes.

In our opinion, management's assertions included in the accompanying Report on Payroll Tax Compliance for the three-month period ended June 30, 2016, are fairly stated in all material respects.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
August 10, 2016



Payroll Plus Corporation
Transport Leasing/Contract, Inc.
The Labor Source, Inc.

PAYROLL TAX COMPLIANCE PERIOD ENDED JUNE 30, 2016

act, Inc., Payroll Plus Corporation and The Labor
out payroll tax withholding, payment and filing
d June 30, 2016.

edicare taxes were withheld from employees'
ce with Internal Revenue Service (IRS) Rules.

ederal income, Social Security and Medicare taxes

loyees in the employees' states of domicile were
r jurisdictions.

quarterly state payroll withholding forms were

osited on a timely basis.

- State unemployment taxes were paid in the customers' states of domicile, and appropriate forms were filed in reasonable compliance with state unemployment tax laws.

TRANSPORT LEASING/CONTRACT, INC.
PAYROLL PLUS CORPORATION
THE LABOR SOURCE, INC.

William A. Benson

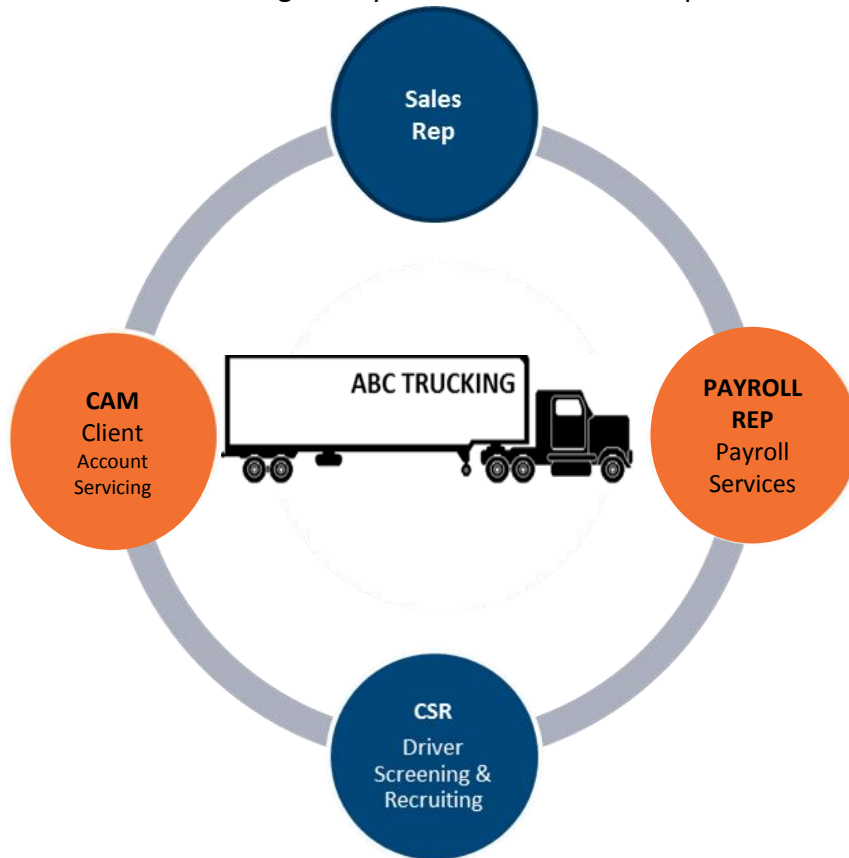
William A. Benson
Chief Financial Officer, Treasurer

TLC Solutions

Customer Service Delivery Model & Technology

SINGLE POINT OF CONTACT FOR YOUR BUSINESS STAKEHOLDERS

- Each of your functional areas will have a Single Point of Contact – **NO CALL CENTER**
- On Line tools to assist and drive productivity in your organization
- Dedicated Client Account Manager for your business leader responsible for operations



TECHNOLOGY SERVICES

- Technology Services is broken into 2 components (1) Client facing and (2) Employee Facing. Both are housed in TLC Companies HR Connect[®]
- The Client report consist of several dozen reports built for common uses throughout the TLC Companies client base
- The TLC Companies can provide a Business Analyst to aid in building specific programs.
- The Employee Portal would be branded with the Client Company logo and supported by The TLC Companies Web Team
- Employees would be able to access
 - ✓ Check Stubs
 - ✓ Year to date earnings
 - ✓ Driver Settlement sheets
 - ✓ PTO and other benefit information



TLC Solutions

TLC Companies Ancillary Products

CUSTOM SOLUTIONS OF OUR CLIENTS' NEEDS

The TLC Companies has developed products specific to our clients needs. These Products are designed to assist our clients in their daily business needs and have been marketed with the full 15,000 + employees volume with the ultimate goal of providing the TLC Clients better pricing and costs

TLC Fuel



FuelVantage

TLC Drug Screen



ScreenPlus

TLC Health



Exchange

TLC Factoring



AdvancePlus

TLC ELD



SmartTruck

MEDICAL & INDIVIDUAL INSURANCE OFFERINGS

The TLC Companies is the ONLY transportation specific PEO that offers participation in a sponsored master medical program that includes 8 different plan designs along with voluntary employee benefits



NOTE: All Drivers with TLC get a \$5,000 Life Insurance Policy at no cost to the employee or employer

OTHER EMPLOYEE BENEFITS

The TLC Companies offers all its' clients' the opportunity to participate in these additional programs

