within thirty (30) days from the date the Department requests such records; and

(m) All of the material facts and representations made by the Plan that are set forth in the Summary of Facts and Representations in the Proposed Exemption are true and accurate at all times. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described by the Applicant in the application, the exemption will cease to apply as of the date of the change.

Section III. Exemption Date

The exemption is in effect from September 10, 2020, the date that the Plan received the Rights, through September 16, 2020, the last date the Rights were sold on the Nasdaq Global Select Market.

Signed at Washington, DC, this 7th day of August 2026.

Christopher Motta,

Acting Director, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor.

[FR Doc. 2026–17143 Filed 8–20–26; 8:45 am]

BILLING CODE 4510–29–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

[Prohibited Transaction Exemption 2026–06; Application No. L–12103]

Exemption for Certain Prohibited Transactions Involving Mid-America Carpenters Regional Council Apprentice and Training Fund (the Fund or Applicant) Located in St. Louis, Missouri

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Notice of exemption.

SUMMARY: This exemption permits the sale by the Fund of real property to the Mid-America Carpenters Regional Council (the Sale). Without this exemption, the Sale would be prohibited by the Employee Retirement Income Security Act of 1974 (ERISA).

DATES: Exemption date: This final exemption will be in effect as of the date of publication in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: Ms. Blessed Chuksorji-Keefe, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor, *Chuksorji.Blessed@dol.gov.*

SUPPLEMENTARY INFORMATION:

The Exemption: The exemption permits the Sale of 1.13 acres of improved real property (the Parcel), which is a portion of a 5.67-acre parcel of real property located at 8955 E Terrace, Kansas City, Missouri (the Real Property), by the Fund to the Mid-America Carpenters Regional Council (MACRC).[1] The MACRC will pay the estimated value of both the Parcel and the wellness center ($3.4 million) to the Fund and the MACRC will receive a credit for approximately $3.18 million that the MACRC spent on construction costs, resulting in approximately $220,000 of net proceeds being received by the Fund at closing.[2]

Benefits of the Exemption: The Sale will permit the Fund to earn $220,000 for the Parcel, which is at least $50,000 more in net value (approximately) than originally offered by the MACRC. Furthermore, the Fund and the MACRC entered into a lease agreement (the Lease Agreement) on January 31, 2023, pursuant to which the MACRC leases the Parcel (including the wellness center and any other buildings on the Parcel) from the Fund in exchange for: (1) a one-time payment of past-due rent plus interest and penalties in an amount equal to $50,666; and (2) the payment of $252,125 per year subject to annual escalations of two percent per year. By the time the Sale occurs, the Fund will have received $640,225.62 to $705,803.34 in rent plus interest and penalties.[3]

Comments Received

On August 22, 2025, the Department published a notice of proposed exemption in the **Federal Register** at 90 FR 41125, August 22, 2025 (Proposed Exemption). In the Proposed Exemption, the Department invited all interested persons to submit written comments and requests for a public hearing with respect to the Proposed Exemption by October 6, 2025. The Department received two written comments and a request for a public hearing from one individual (the Commenter).[4]

The Department declines to hold a hearing because the Commenter did not raise any factual issues that cannot be fully explored through the submission of written evidence, nor did the Commenter provide a statement of how the person would be materially affected by the exemption or a general description of the evidence to be presented at the hearing.[5] The issues raised by the Commenter and the Applicant's responses are described below.[6]

Structure and Purpose of the Fund. The Commenter questioned whether the Fund is a training and apprenticeship fund that operates independently for that purpose, or whether it is comprised of a combination of other sources of income and contributions that pays other types of benefits to MACRC members. The Commenter also questioned whether MACRC members' pensions would be affected by the Sale of any assets held by the Fund.

The Applicant states that the ''Fund'' refers to the Mid-America Carpenters Regional Council Apprentice and Training Fund. The Fund is a trust established pursuant to collective bargaining that is jointly trusteed by representatives of both the MACRC and employers of MACRC members. The Fund's purpose is to provide training to carpentry apprentices and trainees.

The Department notes that the Sale will not have any impact on amount of the pension benefits due MACRC members.

Valuation of the Property, Independence of the Appraiser and the Independent Fiduciary. The Commenter raised concerns about the valuation of the Parcel and questioned how the independent appraiser, Newmark Valuation & Advisory (Newmark), and the independent fiduciary, Gallagher Fiduciary Advisors, LLC (Gallagher), were hired to provide services in the covered transactions. The Commenter also questioned whether anyone was compensated for a referral to Newmark or Gallagher or any of their affiliates and the independence of Gallagher, whether any parties involved in the Sale are related to Gallagher, the nature of their fees/compensation, and how such fees are paid. Finally, the Commenter asked whether the work product of Gallagher and Newmark is available to review.

The Applicant responded that the Fund engaged Gallagher after a review of materials submitted by prospective qualified independent fiduciaries in

[1] The MACRC is an ''employee organization'' within the meaning of ERISA section 3(4), and it is therefore a party in interest within the meaning of ERISA section 3(14)(D) with respect to the Fund.

[2] The value of the Parcel will be updated by an independent appraiser on the date of the sale, and the Fund will receive the greater of such price or $220,000.

[3] The potential payments to be received assumes the Sale will occur as soon as August 2026 or as late as November 2026.

[4] All information submitted by the Applicant to the Department in connection with this exemption is available through the Department's Public Disclosure Room, by referencing Application No. L–12103.

[5] See 29 CFR 2570.46(a), (b)(3). 89 FR 4703 (January 24, 2024).

[6] The Commenter also raised a number of issues that are outside the scope of the exemption, including questions about MACRC members' pension benefits; unspecified concerns about MACRC members' health care coverage; and the general manner by which MACRC business is conducted.

response to a request for proposal, and that Gallagher meets the definition of a ''qualified independent fiduciary'' under the Department's exemption procedure. The Applicant states that Gallagher's independent fiduciary fee is less than 2% of its annual revenue for its prior income tax year, which meets applicable thresholds under the Department's exemption procedure regulation, and that there are no other fees paid to Gallagher in connection with this transaction. The Applicant states that Newmark was engaged by Gallagher to serve as the qualified independent appraiser in connection with the Settlement and the Sale, and Newmark is not related to any of the parties involved in the transactions described in the exemption. The Applicant explains that Newmark qualifies as a ''qualified independent appraiser'' as defined under the Department's exemption procedure regulations. The Applicant states that there was no compensation paid to any individual or entity for referrals for these services.

The Applicant states further that Gallagher, in its role as the independent fiduciary for the Fund, reviewed and approved of the methodology used by Newmark in determining the values of the Property and the Parcel, and that these determinations are explained in the Proposed Exemption and in Gallagher's report that was reviewed by the Department.

Purpose of the Sale. The Commenter raised questions about the MACRC's motivations in purchasing the Property and appears to allege members of the MACRC may receive compensation in connection with the Sale.

The Applicant states that no member of the MACRC will receive compensation in connection with the Sale. The Applicant states that the Fund, which was established exclusively to facilitate training for apprentices and trainees, is selling the Property to the MACRC in exchange for revenue to conduct the Fund's training activities. Further, the MACRC intends to maintain a Wellness Center on the Property to be used to provide more affordable and accessible healthcare services to MACRC members.

Availability of Documentation. The Commenter asked about the availability of the following documents: the Lease Agreement, the Sale Agreement, the Settlement Agreement, and the independent fiduciary's ''Closing Report'' required by Section II(j) of the exemption.

The Applicant states that relevant documentation supporting the exemption transaction was provided as part of the application file and is publicly available upon request from the Department.

The Department also notes that the ''Closing Report,'' which must be delivered by the independent fiduciary to the Employer Trustees of the Fund and the Department within 60 days of the closing of the Sale, must be provided by the Applicant upon request to any participant or beneficiary of the Fund, in accordance with the terms of the exemption, and that interested persons also have the right to request the public record supporting the exemption from the Department's Public Disclosure Room, in accordance with the information provided below.

Terms of the Lease. The Commenter asked about the terms of the Lease Agreement, the consequences for a violation of the lease, and whether the parties maintained rental insurance or any other insurance on the Property.

The Applicant states that the Lease Agreement is a part of the application file and is publicly available. According to the Applicant, the Lease refers to the leasing arrangement required by Gallagher, the independent fiduciary, between the Fund and the MACRC regarding the Property for the payment of ground rent, beginning when the MACRC began construction of the Wellness Center on the property in October 2020. The Applicant states that if the tenant defaults on the Lease, the Fund may avail itself of any remedies available to it in the Lease Agreement and under applicable law. Further, the Applicant states that any insurance policies maintained by the Fund on the Property are not a part of the public record and are not relevant to the Sale or the Settlement. The intention of the parties is that the lease will terminate upon the closing of the transaction, when the Fund's interest in the property will be completely transferred to the MACRC.

Trustee Recusal. The Commenter questioned whether the MACRC Trustees were recused along with the MACRC Council from all matters pertaining to workers' pay, health, well-being, safety and retirement, in addition to their roles as fiduciaries of the Fund.

The Applicant responded that the MACRC Trustees on the Fund's Board of Trustees recused themselves from all discussions and voting with respect to the Fund's decision to enter into the Sale, in accordance with their fiduciary duties as trustees of the Fund. The Applicant states further that whether the MACRC Trustees recused themselves from other matters described by the Commenter not involving the Sale is outside the scope of the exemption.

Based on the record and representations made by the Applicant, the Department has determined to grant the Proposed Exemption.[7] The operative language contains certain minor, non-substantive edits that clarify terms or modify formatting.

The Department makes the requisite findings under ERISA section 408(a) that the exemption is: (1) administratively feasible for the Department, (2) in the interest of the Fund and its participants and beneficiaries, and (3) protective of the rights of both the Fund and the participants and beneficiaries of the Fund, based on the Applicants' adherence to all the conditions and definitions of the exemption at all times. Accordingly, affected parties should be aware that the conditions and definitions incorporated in this exemption, taken individually and as a whole, are necessary for the Department to grant the relief requested by the Applicant. This exemption provides only the relief specified herein and does not provide relief from violations of any law other than the prohibited transaction provisions of ERISA.

The complete application file (L–12103) is available for public inspection in the Public Disclosure Room of the Employee Benefits Security Administration, Room N–1515, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, DC 20210 reachable by telephone at (866) 444–3272. For a more complete statement of the facts and representations supporting the Department's decision to grant this exemption, please refer to the Notice of Proposed Exemption.

General Information

The attention of interested persons is directed to the following:

(1) The fact that a transaction is the subject of an exemption under ERISA section 408(a) does not relieve a fiduciary or other party in interest from certain other provisions of ERISA, including any prohibited transaction provisions to which the exemption does

[7] The Representations stated herein are based on the Applicant's representations provided in its exemption application and do not reflect factual findings or opinions of the Department unless indicated otherwise. The Department notes that the availability of this exemption is subject to the express condition that the material facts and representations contained in application L–12103 are true and complete at all times and accurately describe all material terms of the transactions covered by the exemption. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described in the application, the exemption will cease to apply as of the date of the change.

not apply and the general fiduciary responsibility provisions of ERISA section 404, which, among other things, require a fiduciary to discharge their duties respecting the plan solely in the interest of the participants and beneficiaries of the plan and in accordance with ERISA section 404(a)(1) and in a prudent fashion in accordance with ERISA section 404(a)(1)(B);

(2) As required by ERISA section 408(a), the Department hereby finds that the exemption is (1) administratively feasible for the Department, (2) in the interests of the plan and of their participants and beneficiaries, and (3) protective of the rights of participants and beneficiaries of the plan;

(3) The exemption is supplemental to, and not in derogation of, any other ERISA provisions, including statutory or administrative exemptions and transitional rules. Furthermore, the fact that a transaction is subject to an administrative or statutory exemption is not dispositive of determining whether the transaction is in fact a prohibited transaction; and

(4) The availability of this exemption is subject to the express condition that the material facts and representations contained in the application accurately describe all material terms of the transactions that are the subject of the exemption and are true at all times.

Accordingly, after considering the entire record developed in connection with the Applicant's exemption application, the Department has determined to grant the following exemption under the authority of ERISA section 408(a) in accordance with the Department's exemption procedures regulation.[8]

Exemption

Section I. Covered Transactions

The restrictions of ERISA Sections 406(a)(1)(A), 406(b)(1), and (b)(2), do not apply with respect to the sale of the 1.13 acre Parcel by the Fund to the MACRC, provided the following conditions are satisfied at all times:

Section II. Conditions

(a) The MACRC complied with all applicable obligations under the ''Settlement and Agreement to Pay ERISA Section 502(i) Amount Involved and Penalty Amount'' entered into between the MACRC and the Department, effective January 31, 2024 (the Settlement); and the MACRC paid all back rent, penalties, and interest due to the Fund under the terms of the Lease Agreement dated January 31, 2024 between the MACRC and the Fund (the Lease) for the period of time that the MACRC improperly accessed the Parcel and commenced construction of the building on the Parcel, from November 15, 2020 through January 31, 2024, the date of the Settlement Agreement.

(b) The MACRC complies with all terms of the Lease, and any violation of or failure to comply with any term of the Lease is corrected as soon as reasonably possible upon discovery.

(c) The Sale is a one-time transaction for cash that must close within ninety (90) days of the issuance of the final exemption.

(d) At the time of the Sale, the Fund receives the greater of (1) $220,000; or (2) the fair market value of the Parcel as established by an independent appraiser in an updated appraisal of such Parcel on the date of the Sale. The independent appraiser must meet the Department's definition of a ''qualified independent appraiser'' under the Department's Exemption Procedure in 29 CFR 2570.31(i) and, at all times: the qualified independent appraiser must not have entered into, and must not enter into, any agreement, arrangement, or understanding that includes any provision that provides for the direct or indirect indemnification or reimbursement of the qualified independent appraiser by the Fund, the MACRC, or any other party for any failure to adhere to its contractual obligations or to state or Federal laws applicable to the qualified independent appraiser's work; or that waives any rights, claims or remedies of the Fund or its participants and beneficiaries under ERISA or other Federal and state laws against the qualified independent appraiser with respect to the Sale.

(e) The Fund pays no fees, commissions, or other expenses associated with the Sale.

(f) The terms and conditions of the Sale are at least as favorable to the Fund as those obtainable in an arm's length transaction with an unrelated third party.

(g) The trustees appointed by the MACRC (the MACRC Trustees) recused themselves, and continue to recuse themselves, from any involvement in the decision-making process with respect to the Fund's decision to enter into the Sale, since September 23, 2020.

(h) Gallagher Advisory Services, LLC (Gallagher), or another ''qualified independent fiduciary'' as defined under 29 CFR 2570.31(j) (the Independent Fiduciary) is retained to act as the Independent Fiduciary on behalf of the Fund for all purposes in connection with the Sale and the Lease, and at all times: the Independent Fiduciary must not have entered into, and must not enter into, any agreement, arrangement, or understanding that includes any provision that provides for the direct or indirect indemnification or reimbursement of such Independent Fiduciary by the Fund, the MACRC, or other party for any failure to adhere to its contractual obligations or to state or Federal laws applicable to the Independent Fiduciary's work; or that waives any rights, claims, or remedies of the Fund under ERISA, state, or Federal law against the Independent Fiduciary with respect to the Sale.

(i) The Independent Fiduciary must represent the Fund and its participants and beneficiaries for all purposes in connection with the Sale and the Lease in accordance with its fiduciary duties under ERISA section 404, including taking the following actions:

(1) review relevant materials to evaluate the Sale and determine whether it is in the best interest of the Fund to proceed with the Sale;

(2) determine whether to rely upon the appraisal report used to determine the fair market value of the Parcel for all purposes in connection with the Sale, and review and approve the methodology used in such appraisal in order to determine that the appropriate methodology is applied by the independent appraiser in determining the fair market value of the Parcel on the date of the Sale;

(3) review, negotiate, and modify (as needed) the Sale agreement and related documents;

(4) prepare a report in connection with the application of the exemption request describing the Independent Fiduciary's review and determinations with respect to the Sale, including whether the Sale is in the best interest of the Fund and its participants and beneficiaries;

(5) make a final determination on behalf of the Fund whether to approve the Sale;

(6) ensure that the Fund receives the fair market value of the Parcel as agreed upon under the terms of the purchase and sale agreement; and that the remaining terms of the purchase and sale agreement and any related instruments are complied with; and

(7) ensure that the MACRC has complied with and continues to comply with all applicable terms of the Lease, including that the Fund receives all rent due to it under the terms of the Lease.

(j) The Independent Fiduciary must prepare an ''After Closing Report'' for the Employer Trustees of the Fund and the Department, which must be delivered to both parties within 60 days

[8] 29 CFR part 2570, subpart B (89 FR 4662 (January 24, 2024)).

of the closing of the sale of the Parcel. The report must describe the extent to which the conditions of the exemption have been complied with by the parties, the reasons for any non-compliance, and the steps that the Independent Fiduciary took on behalf of the Fund to enforce the rights of the Fund in respect to such non-compliance. The report should describe the documents reviewed or other steps taken in order for the Independent Fiduciary to make its determinations.

(k) The Fund's Trustees and the Independent Fiduciary maintain for a period of six (6) years from the date of any transaction related to the Sale, in a manner that is convenient and accessible for audit and examination, the records necessary to enable the persons described in paragraph (l)(1) below to determine whether conditions of this exemption, if granted, have been met, except that (i) a prohibited transaction will not be considered to have occurred if, due to circumstances beyond the control of the Fund's trustees and/or the Independent Fiduciary, the records are lost or destroyed prior to the end of the six-year period, and (ii) no party in interest other than the Fund's trustees or the Independent Fiduciary shall be subject to the civil penalty that may be assessed under ERISA section 502(i) if the records are not maintained, or are not available for examination.

(l)(1) Notwithstanding any provisions of sections (a)(2) and (b) of ERISA Section 504, the records referred to in paragraph (k) above shall be unconditionally available at their customary location during normal business hours to: (i) any duly authorized employee or representative of the Department or the Internal Revenue Service; (ii) the Fund's trustees or any duly authorized representative of the Fund's trustees; (iii) the Independent Fiduciary or any duly authorized representative of the Independent Fiduciary; (iv) any participant or beneficiary of the Fund, or any duly authorized representative of such participant or beneficiary; and (2) should the MACRC or any party refuse to disclose information to a person on the basis that such information is exempt from disclosure, such party shall provide a written notice advising that person of the reasons for the refusal and that the Department may request such information by the close of the thirtieth (30th) day following the request.

(m) All the material facts and representations made by the Applicant that are set forth in the Proposed Exemption's Summary of Facts and Representations are true and accurate at all times. If there is any material change in a transaction covered by the exemption, or in a material fact or representation described by the Applicant in the application, the exemption will cease to apply as of the date of the change.

Exemption Date: This exemption will be in effect as of the date of publication of the final exemption in the **Federal Register**.

Signed at Washington, DC, this 28th day of July 2026.

Christopher Motta,

Acting Director, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor.

[FR Doc. 2026–17144 Filed 8–20–26; 8:45 am]

BILLING CODE 4510–29–P

DEPARTMENT OF LABOR

Employee Benefits Security Administration

[Prohibited Transaction Exemption 2026–05; Application Number D–12082]

Exemption Involving Hawai'i Pacific Health and Its Subsidiary: Straub Clinic & Hospital Located in Honolulu, Hawaii

AGENCY: Employee Benefits Security Administration, Labor.

ACTION: Notice of exemption.

SUMMARY: This exemption permits the Hawai'i Pacific Health Retirement Plan (the Plan) to sell property (the Property) to Straub Clinic & Hospital (Straub) for the greater of $16,247,000 or 110% of the Appraised Value of the Property as of the date of the sale (the Sale). Absent this exemption, the Sale would violate certain prohibited transaction restrictions of the Employee Retirement Income Security Act of 1974 (ERISA) and/or the Internal Revenue Code of 1986 (the Code).

DATES: This final exemption is effective August 21, 2026.

FOR FURTHER INFORMATION CONTACT: Nicholas Schroth, Office of Exemption Determinations, Employee Benefits Security Administration, U.S. Department of Labor, (202) 693–8540 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: Hawai'i Pacific Health (the Applicant) requested an exemption pursuant to ERISA section 408(a) and Code section 4975(c)(2) in accordance with the Department's exemption procedures set forth in 29 CFR part 2570, subpart B.[1] After reviewing the application, the Department tentatively determined that the Sale would be in the interest of, and protective of, the Plan and its participants and beneficiaries, and would also be administratively feasible, because, among other things: (1) a qualified independent fiduciary (QIF) would protect the Plan's interests with respect to the Sale; and (2) the Plan would receive at least 110% of the Appraised Value for the Property. The term Appraised Value means the greater of the Property's "fair market value" or its "Investment Value," [2] as of the date of the Sale, as determined by a Qualified Independent Appraiser (QIA).

On November 26, 2025, the Department proposed an exemption that would permit the Sale, subject to certain conditions (the Proposed Exemption),[3] and invited interested persons to submit written comments and/or requests for a public hearing. All comments and requests for a hearing were due to the Department by January 16, 2026. The Department received sixty-five written comments from individuals and one written comment from the Hawai'i Nurses' Association, OPEIU Local 50 (Local 50) (collectively, the Commenters). Discussed below are the issues raised by the Commenters and responses to these issues raised by Central Pacific Bank (CPB), the Plan's QIF. Also discussed below is the Commenters' request for a hearing and the Department's response to that request.

Comment #1. The Proposal does not explain why the Property was not put up for sale on the open market, which could produce a higher or better offer for the Plan than what the appraiser estimated the Property is worth.

CPB Response to Comment #1. The open market option was not preferred because Straub offered to buy the Property at a price that exceeded what the Property is expected to sell for on the open market. CPB's appraiser

[1] 29 CFR part 2570, subpart B (76 FR 66637 (October 27, 2011)). The Department's exemption procedures regulation was amended at 89 FR 4662, on January 24, 2024, with an effective date of April 8, 2024. However, because the application was submitted on December 5, 2022, the procedures in effect as of that date govern. Effective December 31, 1978, section 102 of Reorganization Plan No. 4 of 1978, 5 U.S.C. App. 1 (1996), transferred the authority of the Secretary of the Treasury to issue exemptions of the type requested by the Applicant to the Secretary of Labor. Therefore, this notice of exemption is issued solely by the Department. For purposes of this exemption, references to ERISA section 406, unless otherwise specified, should be read to refer as well to the corresponding provisions of Code section 4975.

[2] For purposes of this exemption, Investment Value means the value of a property to a particular investor or class of investors based on the investor's specific requirements.

[3] 90 FR 54387.