

Notice of Endangered Status for the 2010 Plan Year Cement Masons Local Union No. 567 Pension Fund

November 25, 2010

To: All Participants, Beneficiaries, Participating Unions and Contributing Employers

Under the Pension Protection Act of 2006 (PPA), the Pension Fund's actuary is required to make a determination of the Fund's financial status every plan year, and certify that status to the IRS and the Trustees. If the Fund's status is either "endangered" (Yellow Zone) or "critical" (Red Zone) the Trustees must notify all plan participants, employers and other stakeholders and take corrective action to restore the financial health of the Fund.

Yellow Zone Status

For the Plan Year beginning August 1, 2010, the Plan is less than 80% funded, based on PPA's funding measures. As a result, the Plan was categorized by the Fund's actuary as being in endangered status (Yellow Zone) for the 2010 Plan Year, and a certification of this fact was provided to the IRS on October 29, 2010. Yellow Zone status represents an early warning to focus on correcting problems before they lead to more serious trouble.

Funding Improvement Plan

As you know, the Board of Trustees took action last year to reduce the monthly benefit accrual for service on or after August 1, 2009 from \$31.12 to \$10.00 per year of service. In addition, higher hourly contribution rates have been negotiated. These steps prevented the Fund from entering critical status (Red Zone). However, actuarial projections indicate that additional changes will be required to emerge from the Yellow Zone.

PPA requires the Trustees to develop and adopt a Funding Improvement Plan before June 26, 2011. This Plan must be designed to demonstrate improvement in the Plan's funded position over time and to assure that contributions will be enough to meet the minimum required under the law. On November 16, 2010, the Trustees met to consider the options available, and approved a Funding Improvement Plan. The necessary documents are being drafted, and the Board will soon inform the employers and unions of further contribution increases that will need to be covered in collective bargaining agreements entered into or renewed in order to comply with the Funding Improvement Plan.

PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one, explaining the outcome, will be sent each year until our Plan is no longer in the Yellow Zone. While our goal is to remain on track with the Plan's funding projections noted above, there are several variables beyond our control, which our advisors will monitor yearly, including market volatility and changes in participation and/or the number of contributing employers.

We understand that legally required notices like this one can create anxiety and concern about the Pension Plan's future. The Board of Trustees is working with contributing employers and the union and taking appropriate actions to improve the financial health of the Fund so that retirement benefits for our participants and their families are secure in the future.

In the event you have questions or would like additional information, you may contact the Board of Trustees, or the Plan's Fund Manager, Ms. Alane Haik, at 3351 Severn Avenue, Suite 202, Metairie, Louisiana 70002, Telephone 504-457-4444

Sincerely,

The Board of Trustees

cc: U.S. Department of Labor (DOL)
Pension Benefit Guaranty Corporation (PBGC)