Notice of Plan Status

April 25, 2011

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

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans. Many of the Act's provisions relate to funding, which, in simplest terms, refers to how much money a pension plan has coming in, going out, and in reserve (or "in the bank") for the future. The Act's provisions are intended to create more discipline to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, the Act requires that pension plans be tested annually to determine how well they are funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in the yellow ("seriously endangered" or "endangered") or red ("critical") zones must notify all plan participants, beneficiaries, unions, and contributing employers of the plan's status, and must take corrective action to improve the plan's funding.

Plan's Status – Red Zone

On March 31, 2011, the Pension Fund's actuary certified that the Pension Plan is in the red "critical" zone for the Plan Year beginning January 1, 2011. This red zone certification is based on the actuary's determination that the Pension Plan is projected to have a funding deficiency within the four plan years beginning January 1, 2011. This means that contributions are not expected to be high enough to meet government standards for funding both past and future benefits. This does not mean that the Fund will have a problem paying benefits to current pensioners and beneficiaries in the near future. It means that, if corrective action is not taken, the Fund may have a problem paying benefits years in the future. The Trustees have already taken corrective action, as explained below.

Rehabilitation Plan

The Act requires that a plan in the red "critical" zone adopt a Rehabilitation Plan that will enable the plan to improve its funded position to meet statutory funding requirements over time. The Trustees have adopted a Rehabilitation Plan, which went into effect as of January 1, 2011. Employers and the Union have been notified of the contribution requirements of the Rehabilitation Plan. Those requirements will apply as of the employer's next renewal of a collective bargaining agreement on or after May 1, 2010. Plan participants have also been advised of the benefit changes that have been implemented as a result of the Rehabilitation Plan.
Employer Surcharge

The Act requires that all contributing employers pay a contribution surcharge to the Plan to help correct the Plan's financial situation. The amount of the surcharge for the calendar year 2011 is 10% of the amount the employer is otherwise required to contribute to the Plan under the applicable collective bargaining agreement. Once an employer has begun contributing under a collective bargaining agreement that implements the Rehabilitation Plan, the contribution surcharge ends.

What's Next

The Trustees hope that the benefit and contribution changes made by the Rehabilitation Plan will be enough to eventually restore the Pension Plan to a sound financial footing. However, the Trustees and their advisors will continue to monitor the Plan's progress toward its goals and, if further action is required, it will be taken and all interested parties will be advised.

For more information about this notice or the Pension Plan in general, contact the Pension Plan Office at the address or phone number listed at the top of this letter.

Sincerely,

Board of Trustees

Federal law requires that you receive this notice. Also as required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

EIN: 36-6019539; PN: 001
April 25, 2011

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EIN: 36-6019539; PN: 001
Annual Funding Notice
for
CHICAGO NEWSPAPER PUBLISHERS DRIVERS’ UNION PENSION PLAN

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2010, and ending December 31, 2010 (referred to hereinafter as “plan year”).

Funded Percentage

The funded percentage of a plan is a measure of how well the plan is funded. This percentage is obtained by dividing the Plan’s assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan’s funded percentage for the plan year and two preceding plan years is set forth in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period.

<table>
<thead>
<tr>
<th></th>
<th>2010 Plan Year</th>
<th>2009 Plan Year</th>
<th>2008 Plan Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded Percentage</td>
<td>69.1%</td>
<td>66.3%</td>
<td>82.5%</td>
</tr>
<tr>
<td>Value of Assets</td>
<td>$92,923,967</td>
<td>$84,210,317</td>
<td>$102,313,618</td>
</tr>
<tr>
<td>Value of Liabilities</td>
<td>$134,435,278*</td>
<td>$127,051,656</td>
<td>$124,037,389</td>
</tr>
</tbody>
</table>

*Liabilities reflect elimination of adjustable benefits in Rehabilitation Plan.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan’s funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2010, the fair market value of the Plan’s assets was $78,910,680. (This figure is preliminary and unaudited.) As of December 31, 2009, the fair market value of the Plan’s assets was $77,436,639. As of December 31, 2008, the fair market value of the Plan’s assets was $70,175,264.

Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 983. Of this number, 190 were active participants, 553 were retired or separated from service and receiving benefits, and 240 were retired or separated from service and entitled to future benefits.
Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan's objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. In a multiemployer plan, such as this Plan, the plan is funded by contributions made by employers pursuant to collective bargaining agreements. The funding policy of the Plan is based on the separation of functions contemplated by the Taft-Hartley Act, that is, that the Local Union representing Plan participants negotiates pension contribution rates with participating employers, and the Trustees of the Plan set benefit levels based on anticipated contribution income, with the assistance and advice of the Plan's actuary.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan requires the Trustees of the Plan to establish investment guidelines but delegates to investment professionals specific decisions regarding the purchase and sale of securities. Under the policy, Plan assets are to be managed solely in the interests of the Plan's participants and beneficiaries and in full compliance with all applicable laws, including the Employee Retirement Income Security Act of 1974 (ERISA). Plan assets are to be invested primarily in a balanced and diversified mix of high quality equities, fixed income securities and cash equivalents, including commingled accounts that invest in such asset classes, and such other assets as may be appropriate.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the plan year. The following allocations are percentages of total assets:

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing cash</td>
<td>1.33%</td>
</tr>
<tr>
<td>Value of interest in registered investment companies (e.g., mutual funds)</td>
<td>98.67%</td>
</tr>
</tbody>
</table>

Please note that the percentages shown above are based on asset values that are preliminary and unaudited. Any final changes may affect the reported percentages. Also, as shown in the table above, a part of the assets of the Plan are invested in commingled investment accounts such as common/collective trusts. These are investment funds managed by professional investment managers. For more information about those investments, contact the Fund Office at the address and telephone number shown at the end of this notice.

Critical or Endangered Status

Under federal pension law, a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan.
Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funded status over a specified period of time.

The Plan is in “critical” status in the plan year because the Plan is projected to have an accumulated funding deficiency within the four-year period beginning January 1, 2010. As required by the Pension Protection Act, the Trustees have adopted a Rehabilitation Plan. A notice describing the Rehabilitation Plan has previously been sent to all interested parties. You may obtain a copy of the Rehabilitation Plan and a copy of any actuarial/financial data that demonstrates the effect of action taken by the Trustees toward fiscal improvement by writing to the Fund office at the address given at the end of this notice.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the U.S. Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, N.W., Room N-1513, Washington, D.C. 20210, or by calling (202) 693-8673. Or you may obtain a copy of the Plan's annual report by making a written request to the Plan administrator. The annual report for the 2010 plan year will be available for disclosure in November 2011. There is a charge of $0.25 per page for copying costs. For 2009 and subsequent plan years, the Plan’s annual report may be available online at www.efast.dol.gov.

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. Under so-called “plan reorganization rules,” a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC’s guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and to any labor organization representing plan participants.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan’s available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan’s financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.
The Chicago Newspaper Publishers Drivers’ Union Pension Plan is neither insolvent nor in reorganization.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100% of the first $11 of the Plan’s monthly benefit accrual rate, plus 75% of the next $33 of the accrual rate, times each year of credited service. The PBGC’s maximum guarantee, therefore, is $35.75 per month times a participant’s years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant’s years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant’s guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant’s guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person’s monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan’s termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact the Fund Office of the Chicago Newspaper Publishers Drivers’ Union Pension Plan at telephone number (773) 763-6651 or by mail at 6650 N. Northwest Highway, Suite 215, Chicago, Illinois 60631. For identification purposes, the official plan number is 001 and the plan sponsor’s employer identification number or “EIN” is 36-019539. For more information about the PBGC and benefit guarantees, go to PBGC’s Web site, www.pbgc.gov, or call PBGC toll-free at 1 (800) 400-7242 (TTY/TDD users may call the Federal relay service toll free at 1 (800) 877-8339 and ask to be connected to 1 (800) 400-7242).