

**THE SOUTHERN CALIFORNIA FLOOR COVERING PENSION PLAN SPECIAL NOTICE OF
ELECTION TO MAINTAIN PRIOR YEAR'S STATUS FOR THE PLAN YEAR
BEGINNING JANUARY 1, 2009**

EIN: 51-6031409, Plan: 001
Plan Year: January 1 - December 31

DATE: July 15, 2009

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

FROM: The Board of Trustees

Under the Pension Protection Act of 2006, the Actuary for each multiemployer pension plan is required to certify whether a plan's funding status is critical ("red zone"), endangered ("yellow zone"), or neither critical nor endangered ("green zone"). For the Plan Year beginning on or after January 1, 2008, the Actuary for the Southern California Floor Covering Pension Plan determined that the Plan's funding status was neither critical nor endangered ("green zone").

In response to the current economic crisis, Congress enacted section 204 of the Worker, Retiree and Employer Recovery Act of 2008 ("WRERA"), which allows a multiemployer pension plan to elect to retain for the current Plan Year its zone status for the 2008 Plan Year. This notice is to inform you that an election has been made to treat the Plan as neither in endangered nor critical status for the Plan Year beginning January 1, 2009.

As you are aware, 2008 was a very poor year for investment markets. As a result of these turbulent investment markets, our Fund, like most other retirement funds across the country, suffered considerable asset losses. If the Section 204 election had not been made, the Plan's status for the 2009 Plan Year would have been endangered ("yellow zone").

The election to freeze "green" applies only for the Plan Year beginning January 1, 2009. The Trustees are evaluating various options to address the funding shortfall created by the decline in asset values during the 2008 Plan Year. If the Plan is certified to be in endangered or critical status for the Plan Year beginning 2010, or any subsequent year, a notice will be provided as to the Plan's status for that year and the steps that will have to be taken to improve the Plan's status. These options include increases in future contribution rates, reductions in the rate of future benefit accruals and/or other changes. If the Trustees of the Plan determine that any such changes are necessary, you will receive a separate notice identifying and explaining the effect of those changes.

Where to Get More Information

This Notice is intended to satisfy the requirements of Section 204(c)(2)(A)(ii) of WRERA. If you have any questions about this Notice or your benefits under the Plan, you may contact:

The Southern California Floor Covering Pension Plan
c/o Associated Third Party Administrators
4399 Santa Anita Avenue, Suite 150
El Monte, CA 91731
Telephone: (626) 279-3068

cc: U.S. Department of Labor
U.S. Pension Benefit Guaranty Corporation