

NOTICE OF ENDANGERED STATUS

LOCAL 813 AND LOCAL 1034 SEVERANCE TRUST FUND

(for the Plan Year beginning January 1, 2011)

The Pension Protection Act of 2006 (“PPA”) has added requirements for measuring the financial health of multiemployer pension plans such as ours. Starting with the 2008 plan year, the PPA requires that a pension plan’s actuary annually determine the plan’s status under these new rules and certify that status to the Internal Revenue Service and the board of trustees. If the actuary determines that the plan is in “endangered,” “seriously endangered” or “critical” status, the trustees must notify all plan participants, employers and other stakeholders, as well as take corrective action to restore the financial health of the plan.

Seriously Endangered Status

This letter will serve as the Notice that, on March 31, 2011, the Local 813 and Local 1034 Severance Trust Fund (the “Plan”) was certified by its actuary to be in seriously endangered status for the 2011 plan year (*i.e.*, the plan year beginning January 1, 2011).

Funding Improvement Plan

The PPA requires any pension plan in seriously endangered status to adopt a “funding improvement plan.” A funding improvement plan is an action plan designed to restore the pension plan to financial health, improve the balance of assets and liabilities, and avoid any accumulated funding deficiency.

In a proactive measure, the Board of Trustees (the “Trustees”) adopted certain benefit changes prior to the adoption of a funding improvement plan. Those benefit changes reduced the liabilities of the Plan. On November 25, 2008, the Board of Trustees (the “Trustees”) adopted the Plan’s Funding Improvement Plan. Because of the proactive benefit changes previously made, the Funding Improvement Plan did not require additional action by the Trustees. The Trustees are required to annually update the Funding Improvement Plan to reflect the experience of the Plan. Accordingly, the Funding Improvement Plan will be updated as necessary by the end of 2011.

Please be aware that there are several variables beyond our control that our advisors are monitoring, including investment market volatility, and changes in employment levels and/or the number of contributing employers, which could affect the Plan’s status and the Trustees’ corrective actions in the future.

We understand that legally required notices like this one can create anxiety and concern about the Plan’s future. The Trustees remain confident that, with the appropriate adjustments, the Plan will continue to provide our participants and their families with secure retirement benefits.

Where to Get More Information

For further information about this notice, please contact the Fund Office at (718) 937-7150 or 45-18 Court Square, Suite 600, Long Island City, New York 11101. The Plan will send you a copy of the Funding Improvement Plan upon written request to the Fund Office.