

Notice of Critical Status For Media Guild Retirement Plan

This is to inform you that on March 31, 2011 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning on January 1, 2011. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the sum of the plan's normal cost and interest on the unfunded benefits for the 2009 Plan Year exceeded the present value of all expected contributions for the year; the present value of vested benefits of inactive participants was greater than the present value of vested benefits of active participants; and over the next four Plan Years, the Plan was projected to have an accumulated funding deficiency for the 2012 Plan Year.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the third year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. By December 1, 2010, you were notified that the plan reduced or eliminated adjustable benefits. On April 6, 2009, you were notified that as of April 6, 2009 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits (other than a repeal of a recent benefit increase, as described below) will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after April 6, 2009.

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status.

Where to Get More Information

For more information about this Notice, you may contact the Media Guild Office at (415) 421-6833, 433 Natoma Street, 2nd Floor, San Francisco, CA 94103. You have a right to receive a copy of the rehabilitation plan from the plan.