

Arizona Laborers and Teamsters Annuity Plan

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**Special Notice to All Arizona Laborers & Teamsters
Annuity Plan Participants**

As you may know, the Board of Trustees of the Annuity Plan hires expert money managers to invest the assets of the Plan. Investment results have been good over the years since the Annuity Fund began in 1985. However, 2008 has been an exceptionally difficult year for the Annuity Plan, financial markets, investors and pension funds all over the country. Since January 2008, the Plan has suffered investment losses and the Board's financial advisors have concluded that the Annuity Fund may end the year in a negative position. While the Board is optimistic that positive investment results will return in the future, it is not clear that this will happen in the short term.

The investment return that is credited to all accounts is calculated as of the end of each year. By the time the accountants and actuaries provide information about gains, losses and expenses, it will generally be May or June before gains and losses can be finally calculated. Because of the possibility that the Annuity Fund may suffer a loss for the year, the Board has decided to withhold 20% of all Annuity Plan benefit distributions made after December 31, 2008 until the final year end calculations are complete. This amount is being withheld to be sure that the Plan does not pay out more than your share of the Annuity Fund. If the markets rebound, or if the loss is less than the amount withheld, you will receive a supplement check as soon as possible after the Plan year end.

The financial experts who invest in the Annuity Plan's assets are investing to minimize losses and be in a position to fully participate in the recovery of the financial markets and return to positive investment results.

You should consider this information and consult with your investment advisors before you make your decision as to when to withdraw your Annuity account balance.

Southwest Service Administrators, Inc.

Service Is Our Middle Name

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