OREGON RETAIL EMPLOYEES PENSION TRUST

NOTICE OF CRITICAL STATUS

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

FROM: Board of Trustees
Oregon Retail Employees Pension Trust

DATE: April 29, 2010

The Pension Protection Act of 2006 (PPA) requires the Board of Trustees to annually evaluate the funded status of your Pension Plan. Pension plans that are in critical status must notify all participants, beneficiaries, unions, and contributing employers of that status. A rehabilitation plan that is designed, over time, to strengthen the Plan's financial foundation must also be adopted.

This will notify you that the Trust's actuary on March 30, 2010 certified to the U.S. Department of Treasury and to the Board of Trustees that the Plan is in critical status for the plan year beginning January 1, 2010. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary determined that the Plan is projected to have an accumulated funding deficiency (insufficient credit balance) in the three plan years following the 2010 plan year.

Rehabilitation Plan and Possibility of Reduction of Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan.

As part of the rehabilitation plan, the PPA allows the plan to reduce or eliminate benefits called "adjustable benefits." If the Board of Trustees determines that it is necessary to reduce or eliminate adjustable benefits, you will receive a separate notice in the future identifying and explaining the effect of these changes. Any reduction of adjustable benefits (other than the repeal of a benefit increase as described below) will not reduce the level of a participant's basic benefit payable at normal retirement (which is age 65 under the Pension Plan).

Other than repeal of benefit increases made in the last 60 months or the elimination of future cost-of-living increases, reductions to adjustable benefits generally will only apply to you if your benefit commencement date (pension effective date) is on or after the date of this notice (April 29, 2010). You should also know that whether or not the Plan reduces adjustable benefits in the future, federal law prevents the Pension Plan from paying lump-sum benefits (or any other payment in excess of the amount payable under the normal single life annuity) after the actuary has certified a Pension Plan as critical. This means that effective May 1, 2010, the Social Security Level Income payment options will no longer be available to new retirees. (Retirees who have already retired and are receiving a Social Security Level Income option will not be impacted.)

Adjustable Benefits

The Plan's "adjustable benefits" are those that under the PPA are subject to reduction or elimination as part of the rehabilitation plan. These include:

1. Minimum payment guarantees (such as 60-month guarantees);

2. Disability benefits;

3. Early retirement or retirement-type subsidies;

4. Death benefits (except for a 50% pre-retirement survivor annuity for a surviving spouse);

5. Benefit payment options or features other than the qualified joint and survivor annuity; and

6. Benefit increases that would not be eligible for a guarantee under ERISA section 4022A on the first day of the critical year (January 1, 2010) because increases were ~~adopted or, if later, took effect less than 60 months before January 1, 2010~~ including scheduled cost-of-living increases.

Employer Surcharges

The PPA requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial health. The amount of the surcharge is equal to the percentage of the amount an employer is otherwise required to contribute to the Plan under the collective bargaining agreement. During the first year that a plan is in critical status, the percentage is 5% of required contributions. In subsequent plan years, it is 10% of required contributions. This surcharge does not apply to employers who agree to a negotiated contribution rate that satisfies the rehabilitation plan adopted by the Board of Trustees. Employers will receive 30-days' advanced notice before the surcharge goes into effect.

Where to Get More Information

A rehabilitation plan has not been adopted yet. For more information about this notice, you may contact Associated Third Party Administrators by telephone at 1-800-654-4411 or 503-454-3800. When a rehabilitation plan is adopted by the Board of Trustees, you have a right to receive a copy.

Oregon Retail Employees Pension Trust

Administered by: ATPA

7600 SW Mohawk ST – Tualatin, OR 97062
(503) 454-3800 or (800) 654-4411
Fax: (503) 454-3825

2009 ANNUAL FUNDING NOTICE

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, 2009 and ending December 31, 2009 (referred to hereafter as "Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that 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 2009 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.

	2009	2008	2007
Valuation Date	January 1, 2009	January 1, 2008	January 1, 2007
Funded Percentage	89%	108%	104%
Value of Assets	$758,856,104	$879,101,734	$802,339,136
Value of Liabilities	$853,116,474	$814,713,811	$772,853,884

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, 2009, the fair market value of the Plan's assets was $700,920,671. As of December 31, 2008, the fair market value of the Plan's assets was $632,380,087. As of December 31, 2007, the fair market value of the Plan's assets was $931,461,856. The value of Plan assets shown as of December 31, 2009 is an estimate based on unaudited financial information available at the time this notice was prepared. The final audited information on the Plan's assets as of December 31, 2009 will be reported on the Plan's 2009 annual report filed with the U.S. Department of Labor later this year.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 37,650. Of this number, 16,262 were active participants, 7,220 were retired or separated from service and receiving benefits, and 14,168 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 objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. Plan benefits and expenses are funded by employer contributions and the investment returns on those contributions. Employer contributions are based on hours worked multiplied by an hourly contribution rate established through collective bargaining. Based on the level of those employer contributions, the investment return on Plan assets, and other Plan experience, the Trustees will establish and adjust the levels of Plan benefits as necessary to satisfy the minimum funding requirements of ERISA and the Internal Revenue Code. The Trustees may also seek additional contributions from the bargaining parties to satisfy the Plan's funding obligations.

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 which are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy for the Oregon Retail Employees Pension Trust documents the investment goals for the Plan, establishes a process for implementation, and sets forth guidelines to assist in monitoring the Fund, as well as each of the individual investment managers.

The objectives of the Plan include both preservation of assets and growth of assets, to support the actuarial interest rate assumption as well as to protect against the effects of inflation. To pursue these objectives at an appropriate level of risk, a long-term strategic asset allocation target has been established within the policy, along with an allowable minimum and maximum allocation range for each asset class. The current target allocation is as follows:

Large Cap Domestic Equity	22%
Small/Mid Cap Domestic Equity	5%
International Equity	15%
Fixed Income	18%
Core Real Estate	6%
Value-Added Real Estate	4%
Absolute Return	15%
Private Equity	5%
Real Return	10%

Investment managers are given full discretion over portfolio management decisions. However, the investment policy outlines guidelines and restrictions for managers to follow with respect to risk control, diversification, and liquidity. The policy also establishes long-term performance objectives for managers in each asset class, including indices and comparative peer universes to benchmark performance. In addition, the investment policy details the responsibilities of the investment consultant in evaluation and monitoring Fund performance, performing manager research and due diligence, and providing strategic investment and asset allocation advice.

In accordance with the Plan's investment policy, the Plan's assets are allocated across a broad range of investments. Annually, the Plan reports its investment holdings (in categories based on the type of investment vehicle) to the U.S. Department of Labor. These categories are shown in the following chart (with the estimated percentage of total assets as of December 31, 2008 shown):

Asset Allocations		**Percentage**
1.	Interest bearing cash	3.6%
2.	U.S. Government securities	7.9%
3.	Corporate debt instruments (other than employer securities):	
	Preferred	7.7%
	All other	-
4.	Corporate stocks (other than employer securities):	
	Preferred	-
	Common	27.5%
5.	Partnership/joint venture interests	14.2%
6.	Real estate (other than employer real property)	-
7.	Loans (other than to participants)	-
8.	Participant loans	-
9.	Value of interest in common/collective trusts	12.2%
10.	Value of interest in pooled separate accounts	-
11.	Value of interest in master trust investment accounts	-
12.	Value of interest in 103-12 investment entities	7.9%
13.	Value of interest in registered investment companies (e.g., mutual funds)	15.2%
14.	Value of funds held in insurance co. general account (unallocated contracts)	-
15.	Employer-related investments:	
	Employer Securities	-
	Employer real property	-
16.	Buildings and other property used in plan operation	-
17.	Other	3.8%

For additional information about the Plan's investments in any common/collective trusts or 103-12 investment entities, please contact Pati Piro-Bosley at (503) 454-3800 or (800) 654-4411 or by sending correspondence to the Oregon Retail Employees Pension Trust, 7600 S.W. Mohawk Street, Tualatin, OR 97062. Again, the target asset allocation, based on the underlying asset class, is set forth on the previous page.

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 plan is projected to have a minimum funding deficiency in four years (five years if other factors 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 funding status over a specified period of time.

The Plan was not in endangered or critical status in the 2009 Plan Year.
Information about the Plan's funded status for 2010 is being provided separately.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US 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 US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 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.

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 the labor organization.

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.

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 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent 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 Trust Office at:

Oregon Retail Employees Pension Trust
7600 S.W. Mohawk St.
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(503) 454-3800 or (800) 654-4411
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For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 93-6074377. For more information about the PBGC and benefit guarantees, go to PBGC's website, 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).