Automotive Industries Pension Plan

Actuarial Valuation and Review as of January 1, 2012

This report has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

Copyright © 2012 by The Segal Group, Inc., parent of The Segal Company. All rights reserved.

SEGAL

SEGAL

THE SEGAL COMPANY
100 Montgomery Street, Suite 500 San Francisco, CA 94104
T 415.263.8200 F 415.263.8290 www.segalco.com

June 15, 2012

Board of Trustees
Automotive Industries Pension Plan
Alameda, California

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of January 1, 2012. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office, under the direction of Michael Schumacher. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Paul C. Poon, ASA, MAAA, Enrolled Actuary.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

THE SEGAL COMPANY

By: ____________________
J. Tim Biddle
Senior Vice President

LF/kek

cc: *Bill Boyle*
William Craig Dobbs
Philip M. Miller, Esq.
Kimberly Ray, CPA
Michael Schumacher

SECTION 1

ACTUARIAL VALUATION SUMMARY

Introduction 1-1

A. Changes Since Last Valuation 1-2

B. 2012 Actuarial Status (Zone) Certification 1-3

C. Funded Percentage and Funding Standard Account . 1-3

D. Scheduled Cost Deficit 1-4

E. Cash Flow 1-4

F. Withdrawal Liability........... 1-5

Summary of Key Valuation Results................................ 1-6

Comparison of Funded Percentages 1-7

SECTION 2

ACTUARIAL VALUATION RESULTS

A. Participant Data.................. 2-1

B. Financial Information.......... 2-6

C. Employment Experience..... 2-9

D. Actuarial Experience......... 2-10

E. Scheduled Cost vs. Contributions 2-15

F. Cash Flow 2-20

G. Summary of Contribution Requirements 2-21

H. Pension Protection Act of 2006 (PPA'06) 2-23

I. Disclosure Requirements .. 2-26

J. Withdrawal Liability......... 2-29

SECTION 3

SUPPLEMENTARY INFORMATION

EXHIBIT A
Table of Plan Coverage 3-1

EXHIBIT B
Summary Statement of Income and Expenses on an Actuarial Basis 3-2

EXHIBIT C
Financial Information Table 3-3

EXHIBIT D
Annual Funding Notice 3-4

EXHIBIT E
Reorganization......................... 3-5

EXHIBIT F
Maximum Deductible Contribution............................ 3-6

EXHIBIT G
Section 415 Limitations........... 3-7

EXHIBIT H
General Background 3-8

SECTION 4

CERTIFICATE OF ACTUARIAL VALUATION

EXHIBIT I
Summary of Actuarial Valuation Results 4-3

EXHIBIT II
Information on Plan Status as of January 1, 2012....................... 4-4

EXHIBIT III
Schedule of Active Participant Data 4-5

EXHIBIT IV
Funding Standard Account 4-6

EXHIBIT V
Current Liability 4-13

EXHIBIT VI
Actuarial Present Value of Accumulated Plan Benefits.... 4-14

EXHIBIT VII
Statement of Actuarial Assumptions/Methods 4-16

EXHIBIT VIII
Summary of Plan Provisions . 4-20

INTRODUCTION

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

- **Scheduled Cost**

  The Scheduled Cost is an annual contribution amount that allows an evaluation of whether benefit levels are sustainable over the long term, given current assets, negotiated contributions and the expectation of a continuing Plan.

- **Funding Standard Account**

  The ERISA Funding Standard Account (FSA) is charged with the normal cost and amortization of changes in the unfunded actuarial accrued liability measured as of each valuation date. The accumulation of actual contributions made in excess of the minimum required contributions is called the credit balance. If actual contributions fall short of the minimum required contribution on a cumulative basis, a funding deficiency has occurred.

- **Withdrawal Liability**

  ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

- **PPA'06**

  The Pension Protection Act of 2006 (PPA'06) calls on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency tests. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*).

  The "zone" rules created by PPA '06 are scheduled to expire ("sunset") for plan years beginning after December 31, 2014. However, if a pension plan is operating under a Funding Improvement Plan or a Rehabilitation Plan for the last plan year beginning in 2014, that Funding Improvement Plan or Rehabilitation Plan will remain in effect, as will all provisions of the Internal Revenue Code or ERISA regulating the operation of such Funding Improvement Plan or Rehabilitation Plan.

  We will keep you informed of legislative changes as they develop.

- **Cash Flow**

  Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and will need PBGC assistance.

The current year's actuarial valuation results follow.

The actuarial valuation report as of January 1, 2012 is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected and could affect future actuarial costs of the Plan. We are prepared to work with the Trustees to analyze the effects of any subsequent developments.

A. CHANGES SINCE LAST VALUATION

1. This plan was initially classified as critical (*Red Zone*) for 2008 and the Trustees have adopted a rehabilitation plan. Under the rehabilitation plan, new collective bargaining agreements negotiated after April 27, 2008 will include the maximum benefit reductions allowed by law. These reductions include the removal of all early retirement subsidies, joint and survivor subsidies, disability pensions, the 36-payment pre-retirement death benefit and all benefit options besides the single life annuity or the QJSA. The rehabilitation plan also includes supplemental off-benefit contributions to the plan beginning January 1, 2013. Benefit reductions for members whose collective bargaining agreements are expected to be renegotiated in 2012 are recognized in this valuation.
2. On March 8, 2011, the Trustees determined that no reasonable measures could be taken to enable the plan to emerge from critical status. As such, the Trustees adopted a resolution to forestall the plan's insolvency. Working towards this goal, the early retirement pension was eliminated for inactive vested participants and the supplemental contributions under the rehabilitation plan were reduced to encourage continued plan participation. The Trustees are in the process of updating the rehabilitation plan to formalize these changes.
3. The rate of return on the market value of plan assets was 0.4% for the 2011 plan year. The rate of return on the actuarial value of assets was 3.6%, as a result of the asset smoothing method. The current assumed long-term rate of return on investments is 7.25%. Given historically low interest rates, we will continue to monitor the plan's investment returns. We can provide the impact of a change to the assumption for discussion with the Trustees.
4. As described in Section 3, Exhibit E, a plan falls into reorganization if the amortization of its unfunded vested liability exceeds its Funding Standard Account (FSA) requirements, ignoring the credit balance. Complex rules and disclosure requirements apply to plans in reorganization. Without any changes, this plan would fall into reorganization for 2012. To prevent the reorganization, the Trustees can combine and offset the plan's amortization bases in the FSA, which would accelerate the recognition of charges and increase the FSA requirements. This valuation has been completed with the combination and offset of the amortization bases. We look to the Trustees to confirm and formally elect this change for implementation.

B. 2012 ACTUARIAL STATUS (ZONE) CERTIFICATION

1. The 2012 certification, previously issued, was based on the liabilities calculated in the 2011 actuarial valuation, projected to December 31, 2011, and on estimated asset information as of December 31, 2011. This Plan was classified as critical (*Red Zone*) because of a projected deficiency in the Funding Standard Account within one year.

C. FUNDED PERCENTAGE AND FUNDING STANDARD ACCOUNT

1. Based on this January 1, 2012 actuarial valuation, the funded percentage as of that date is 59.3%. This will be reported on the 2012 Annual Funding Notice to be provided within 120 days after the end of this plan year.
2. The credit balance in the Funding Standard Account (FSA) as of December 31, 2011 was less than $0. PPA'06 requires plan sponsors to monitor the projected FSA credit balance.
3. We are available to work with the Trustees to develop credit balance projections.
4. Based on the assumptions and methods employed for this 2012 valuation, this plan will likely be categorized as in critical (*Red Zone*) status for 2013, unless it meets the "red zone" exit criteria of having no projected funding deficiency within 10 years, and not triggering any of the red zone entry criteria. However, the actual status for 2013 will involve updated assets, Trustee input on industry activity and any plan or assumption changes.

D. SCHEDULED COST DEFICIT

1. The projected annual contributions of $399.53 per month fall short of the Scheduled Cost of $1,706.42 per month, resulting in a deficit of $1,306.89 per month, or 327% of contributions, as compared to a deficit of 283% in the prior valuation. This deterioration in the deficit position is primarily due to an investment loss during the year and to the contributions falling short of the prior year's Scheduled Cost.
2. The Scheduled Cost does not recognize the rehabilitation plan benefit reductions for participants whose CBAs are not expected to be renegotiated before 2013 to comply with the rehabilitation plan. Those savings will be recognized as existing CBAs expire and are subsequently renewed. The Scheduled Cost deficit does not reflect the supplemental contributions under the rehabilitation plan that become effective January 1, 2013.
3. As noted in subsection A, the Trustees have adopted a resolution to forestall insolvency under the plan. Because the Scheduled Cost provides a "long-term" measure of plan funding, it is not relevant to a plan that is expected to become insolvent in the future. Therefore, we recommend removing this measure from future valuation reports.

E. CASH FLOW

Based on this valuation, the current value of assets plus projected investment earnings and future contribution income will exceed projected benefit payments and administrative expenses for at least 14 years. Chart 20 shows the projected market value of assets until the expected insolvency year. The plan of benefits and assumptions used for this projection are those used for the 2012 zone certification with some exceptions, as shown on page 2-20. If requested by the Trustees, we can perform additional projections of the financial status of the Plan.

F. WITHDRAWAL LIABILITY

1. For withdrawal liability purposes, the total unfunded present value of vested benefits, including the unamortized Affected Benefits pools, as of December 31, 2011, is $1.34 billion using the assumptions outlined in Section 2.J. The unfunded amount increased by $0.14 billion during the year due to a decline in the PBGC interest rates used to determine the liability and to a market value investment loss.
2. A detailed withdrawal liability report will be provided to the Trustees.

SUMMARY OF KEY VALUATION RESULTS

	2012		2011	
Certified Zone Status	*Critical*		*Critical*	
	Amount	**Per Month**	**Amount**	**Per Month**
Scheduled Cost and Employer Contributions:				
Contributions projected at the negotiated contribution rates[1]	$19,205,407	$399.53	$20,297,409	$393.62
Scheduled Cost	82,027,620	1,706.42	77,699,018	1,506.79
Margin/(Deficit)	-62,822,213	-1,306.89	-57,401,609	-1,113.17
Projected contributions for the upcoming year[2]	19,205,407		20,297,409	
Actual contributions	- -		24,016,267	
Assets:				
Market value of assets (MVA)	$1,162,980,990		$1,268,122,155	
Actuarial value of assets (AVA)	1,163,639,416		1,231,077,065	
Cost Elements on a Scheduled Cost Basis:				
Normal cost, including administrative expenses	$6,498,153		$7,032,993	
Actuarial accrued liability	1,971,554,896		1,986,576,644	
Unfunded actuarial accrued liability (based on AVA)	807,915,480		755,499,579	
Statutory Funding Information:				
Minimum required contribution	$150,517,677		$41,940,702	
Maximum deductible contribution	2,871,392,301		2,756,531,808	
Annual Funding Notice percentage	59.3%		62.3%	
Withdrawal Liability:[3]				
Total present value of vested benefits[4]	$2,499,571,405		$2,465,824,480	
Unfunded present value of vested benefits (based on MVA)	1,336,590,415		1,197,702,325	
Demographic Data:				
Number of active participants	4,180		4,484	
Number of inactive participants with vested rights	10,749		10,882	
Number of retired participants and beneficiaries	11,402		11,243	

(1) *Does not include Rehabilitation Plan supplemental contributions effective January 1, 2013.*
(2) *Excludes withdrawal liability payments.*
(3) *Using the assumptions described in Section 2.J.*
(4) *Includes unamortized Affected Benefits pools of $193,627,465, as of December 31, 2011, and $174,999,224, as of December 31, 2010.*

COMPARISON OF FUNDED PERCENTAGES

	2012		Funded Percentages as of January 1	
	Liability	**Assets**	**2012**	**2011**
1. Present Value of Future Benefits	$1,992,331,779	$1,163,639,416	58.4%	61.2%
2. Actuarial Accrued Liability	1,971,554,896	1,163,639,416	59.0%	62.0%
3. PPA'06 Liability and Annual Funding Notice	1,963,150,821	1,163,639,416	59.3%	62.3%
4. Accumulated Benefits Liability	1,963,150,821	1,162,980,990	59.2%	64.2%
5. Withdrawal Liability	2,499,571,405	1,162,980,990	46.5%	51.4%
6. Current Liability	2,879,313,364	1,162,980,990	40.4%	44.6%

Notes:

1. Includes the value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants and includes plan amendments effective through 2012 (after the valuation date). Used to develop the actuarial accrued liability, based on long-term funding investment return assumption of 7.25% and the actuarial value of assets.
2. Represents the portion of present value of future benefits allocated by the actuarial cost method to years prior to the valuation date and includes plan amendments effective through 2012 (after the valuation date). Used in determining Scheduled Cost, based on long-term funding investment return assumption of 7.25% and the actuarial value of assets.
3. Measures present value of accrued benefits using the current participant census and financial data. As defined by the Pension Protection Act of 2006, based on long-term funding investment return assumption of 7.25% and the actuarial value of assets.
4. Provides present value of accrued benefits for disclosure in the audited financial statements, based on long-term funding investment return assumption of 7.25%, and the market value of assets.
5. Used to determine unfunded vested benefits for withdrawal liability purposes. Based on blended interest rate and other assumptions described in Section 2.J., the present value of vested benefits (excluding death benefits), and the market value of assets. Includes unamortized values of Affected Benefits pools.
6. Used to determine maximum tax-deductible contributions and is reported on Schedule MB to Form 5500. Based on the present value of accrued benefits, using a prescribed mortality table and investment return assumption of 4.29% for 2012 and 4.47% for 2011, and the market value of assets. The funded percentage is also shown on the Schedule MB if it is less than 70%.

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, inactive vested participants, pensioners and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

As shown below, the number of active participants declined by 50% over the last 10 years.

More detailed information for this valuation year and the preceding year can be found in Section 3, Exhibit A.

A historical perspective of how the participant population has changed over the past several years can be seen in this chart.

CHART 1

Participant Population: 2002 – 2011

Year Ended December 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
2002	8,405	10,893	8,775	2.34
2003	7,865	10,904	9,135	2.55
2004	7,460	10,972	9,405	2.73
2005	6,946	11,047	9,714	2.99
2006	6,426	11,231	9,979	3.30
2007	6,211	11,156	10,293	3.45
2008	5,661	10,856	10,698	3.81
2009	4,687	11,011	11,044	4.71
2010	4,484	10,882	11,243	4.93
2011	4,180	10,749	11,402	5.30

Active Participants

Pension plan costs are affected by the age and years of Credited Service of active participants. In this year's valuation, there were 4,180 active participants with an average age of 45.1 and average years of Credited Service of 12.3. This compares to 45.2 and 12.4, respectively, for the 4,484 active participants in the prior year.

Among active participants, there were 14 with unknown age. The actuarial calculations were adjusted for missing information by assuming that it was the same as information provided for other active participants with similar known characteristics.

Inactive Vested Participants

Participants who leave the coverage of the Plan after satisfying the requirements for a deferred pension or an immediate pension but elect to defer commencement are considered "inactive vesteds" and are included in the pension plan cost. In this year's valuation, there were 10,749 inactive vesteds, versus 10,882 in the prior valuation. No cost is included for other inactive participants, even though some may return to active employment before incurring a permanent break in service.

These charts show a distribution of active participants by age and by years of Credited Service.

CHART 2

Distribution of Active Participants by Age as of December 31, 2011

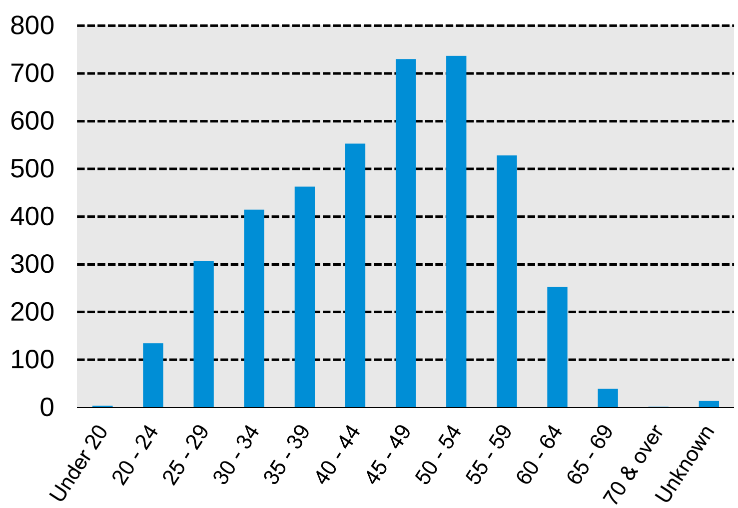
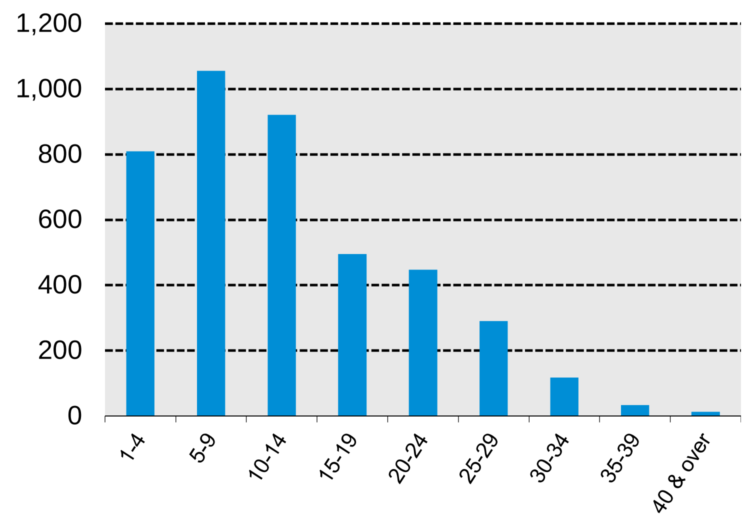


CHART 3

Distribution of Active Participants by Years of Credited Service as of December 31, 2011



Pensioners and Beneficiaries

During the fiscal year ended December 31, 2011, there were 462 pensions awarded, as detailed in this chart. The average monthly pension awarded, after adjustment for optional forms of payment, was $1,089. The chart below presents both the number and average monthly amount of pensions awarded in each of the years shown, by type and in total.

CHART 4

Pension Awards: 2002 – 2011

	Total		Normal		Early		Disability		Unreduced Early		Rule of 85	
Year Ended December 31	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2002	484	$1,266	68	$534	176	$812	33	$1,522	135	$947	72	$3,547
2003	584	1,399	93	847	204	891	26	1,432	157	1,038	104	3,424
2004	551	1,256	114	685	187	879	25	2,424	150	989	75	3,210
2005	555	1,331	116	786	194	989	21	2,184	145	987	79	3,377
2006	511	1,255	120	690	177	920	27	2,445	124	957	63	3,346
2007	541	1,177	131	544	177	991	21	1,852	148	952	64	3,283
2008	678	1,360	134	687	276	1,102	29	1,882	133	1,015	106	3,172
2009	577	1,287	197	594	221	967	26	2,044	57	1,130	76	3,871
2010	463	1,105	169	518	181	727	17	1,736	35	1,801	61	3,281
2011	462	1,089	146	547	224	625	16	2,397	19	2,056	57	3,611

As of this year's valuation date, 9,031 pensioners and 2,314 beneficiaries were receiving total monthly benefits of $10,792,144. For comparison, in the previous year, there were 8,928 pensioners and 2,265 beneficiaries receiving monthly benefits of $10,494,705. There were 57 suspended pensioners in this valuation compared with 50 in the prior year.

These charts show the distribution of the current pensioners based on their monthly amount and age, by type of pension.

CHART 5

Distribution of Pensioners by Type and by Monthly Amount as of December 31, 2011

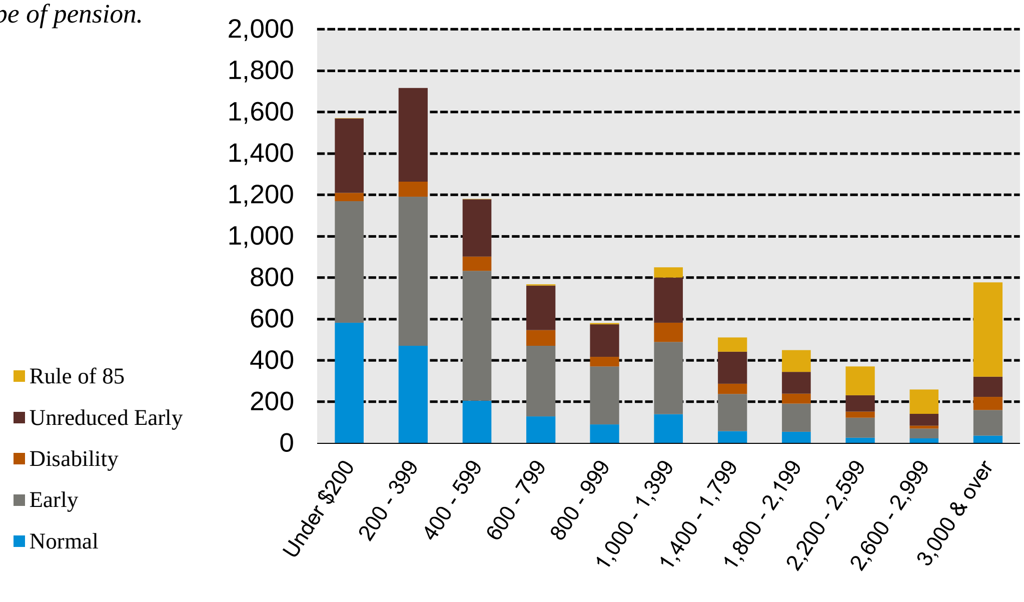
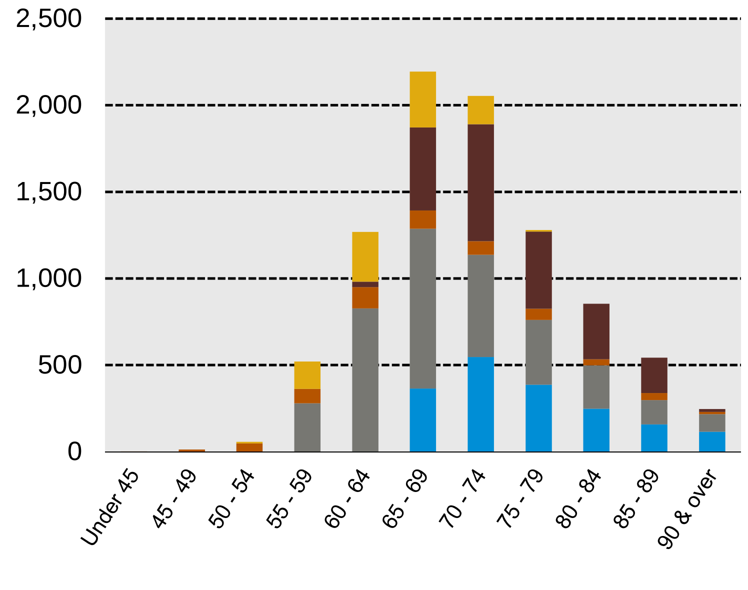


CHART 6

Distribution of Pensioners by Type and by Age as of December 31, 2011



In Chart 7, additions to the pension rolls include new pensions awarded and suspended pensioners who have been reinstated. Terminations include pensioners who died or were suspended during the prior plan year. The change in average age and average amounts of pensioners in payment status is shown as the Fund matures over time.

This chart shows a year-by-year history of changes in the pensioner group.

CHART 7

Progress of Pension Rolls: 2002 – 2011

Year Ended			In Payment Status at Year End		
December 31	Additions	Terminations	Number	Average Age	Average Amount
2002	484	311	7,090	71.1	$780
2003	585	329	7,346	71.0	843
2004	568	350	7,564	70.9	886
2005	565	328	7,801	70.9	931
2006	519	317	8,003	70.9	968
2007	544	352	8,195	71.0	997
2008	720	347	8,568	70.8	1,039
2009	589	361	8,796	71.0	1,070
2010	477	345	8,928	71.2	1,086
2011	473	370	9,031	71.4	1,101

B. FINANCIAL INFORMATION

Pension plan funding anticipates that, over the long term, both contributions (less administrative expenses) and investment earnings (less investment fees) will be needed to cover benefit payments. Pension plan assets change as a result of the net impact of these income and expense components. Chart 8 shows these changes over the last ten years. A summary of these transactions for the valuation year is presented in Section 3, Exhibit B.

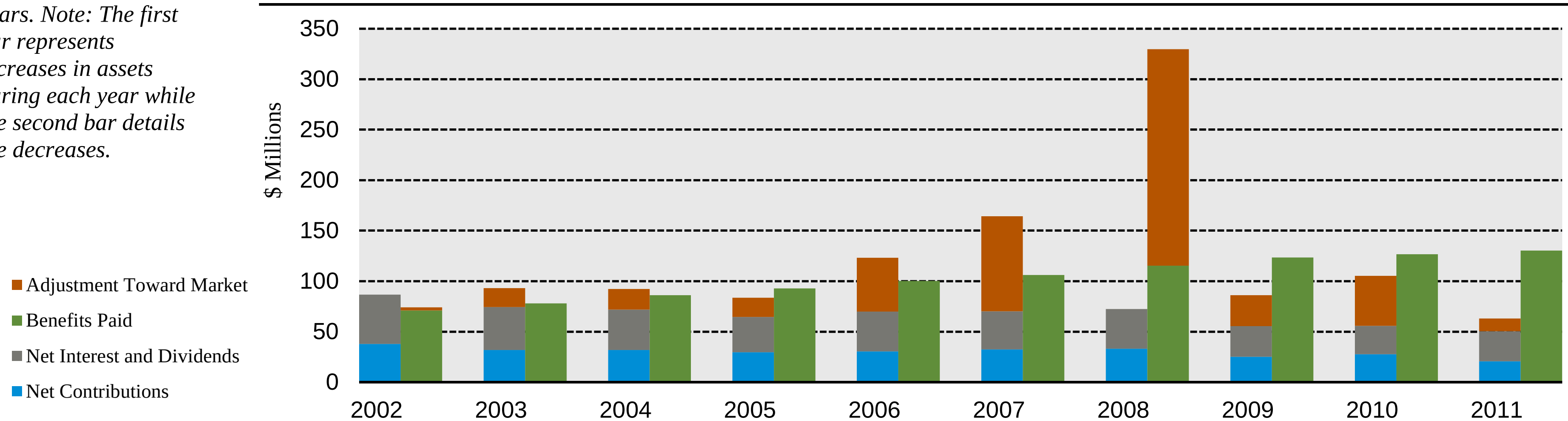
Benefit payments during the year totaled $130,349,668. They are projected to increase to $153,364,663 ten years from now (reflects Rehabilitation Plan Default Schedule for all members). To the extent that future contributions are projected to be less than benefit payments, investment earnings or fund assets will be needed to cover the shortfall.

PPA'06 requires Trustees to monitor plan solvency, the ability to pay benefits when due. If a plan is projected to be unable to pay benefits within five years (or within seven years, if the PPA'06 funded percentage is less than 65%), the plan will be categorized in the *Red Zone*. More information about PPA'06 can be found in Subsection G.

This chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 8

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 2002 – 2011



SEGAL

Because the Plan is funded by negotiated contribution rates, it is desirable to have a level and predictable pension plan cost from one year to the next. For this reason, the Trustees have approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the pension plan cost are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized gains and losses and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value. This removes any consideration of the impact of sales of assets from the determination of the actuarial cost of the Plan.

This chart shows the determination of the actuarial value of assets as of December 31, 2011.

CHART 9

Determination of Actuarial Value of Assets as of December 31, 2011

1	Market value of assets, December 31, 2011			$1,162,980,990
2	Calculation of unrecognized return	Original Amount*	Unrecognized Return**	
	(a) Year ended December 31, 2011	-$80,843,640	-$64,674,912	
	(b) Year ended December 31, 2010	64,082,062	38,449,237	
	(c) Year ended December 31, 2009	336,280,771	134,512,308	
	(d) Year ended December 31, 2008	-544,725,297	-108,945,059	
	(e) Year ended December 31, 2007	9,505,483	0	
	(f) Total unrecognized return			-658,426
3	Preliminary actuarial value: (1) - (2f)			1,163,639,416
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of December 31, 2011: (3) + (4)			$1,163,639,416
6	Actuarial value as a percentage of market value: (5) ÷ (1)			100.1%
7	Amount deferred for future recognition: (1) - (5)			-$658,426

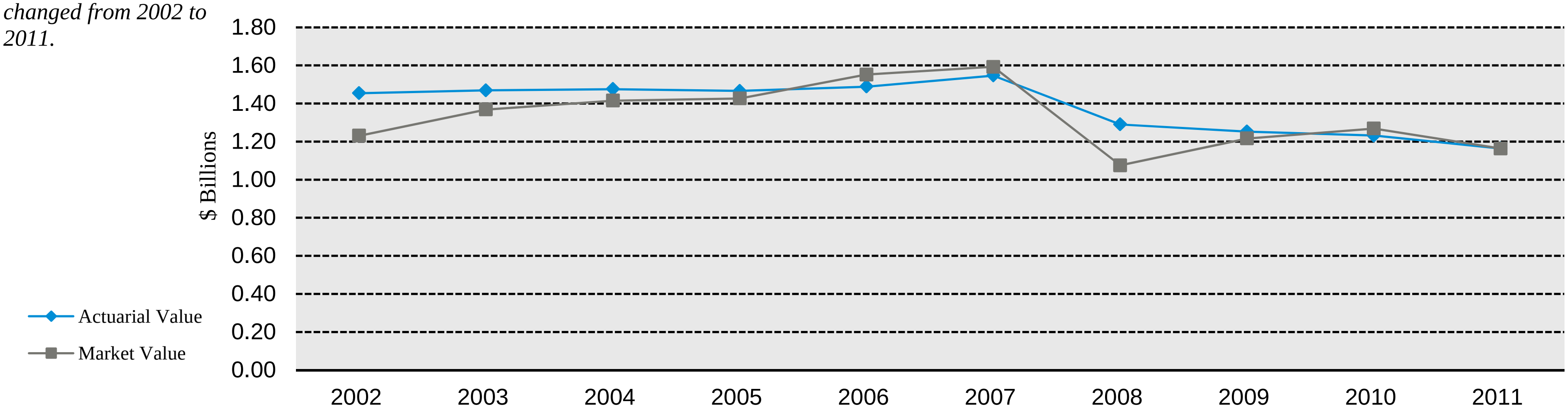
* *Total return on market value basis minus expected return on actuarial basis using the net investment return assumption.*
** *Recognition at 20% per year over 5 years.*

Both the actuarial value and the market value of assets are representations of the Fund's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial value is significant because it is subtracted from the Plan's total actuarial accrued liability to determine the portion that is not funded and is used to determine the PPA'06 funded percentage. Amortization of the unfunded portion is an important element in the contribution requirements of the Plan as detailed in Subsections E and F.

This chart shows how the actuarial value of assets and the market value of assets have changed from 2002 to 2011.

CHART 10

Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2002 - 2011



SEGAL

C. EMPLOYMENT EXPERIENCE

The Trustees are in the best position to select the appropriate employment level assumption to use in long term planning for funding the Plan. Total months of contributions, number of actives and their average months of contributions are shown in Chart 11.

The long-term assumption for Scheduled Cost purposes is 11.5 months for each active participant. The experience in recent years has shown a trend of per capita months at about this level. For this valuation, the assumption has remained at 11.5 months for each active participant based on this recent experience. We look to the Trustees for guidance as to whether this is reasonable for the long term.

Certifications under PPA'06 include a projection of future contributions. Any projection of industry activity, including future employment and contribution levels, must be based on reasonable information for the projection period provided by the Trustees. The industry activity assumption used for the 2012 actuarial certification was for the total number of contributory months to decline by 5% in 2012, 2% in 2013, and 1% per year after.

This chart provides a history of the various measures of employment.

CHART 11

Employment History: 2002 - 2011

	Total Months of Contributions		Active Participants		Average Months of Contributions	
Year Ended December 31	**Number**	**Percent Change**	**Number**	**Percent Change**	**Number**	**Percent Change**
2002	97,275	-1.0%	8,405	-1.7%	11.6	0.9%
2003	91,616	-5.8%	7,865	-6.4%	11.6	0.0%
2004	86,584	-5.5%	7,460	-5.1%	11.6	0.0%
2005	79,452	-8.2%	6,946	-6.9%	11.4	-1.7%
2006	75,015	-5.6%	6,426	-7.5%	11.7	2.6%
2007	71,943	-4.1%	6,211	-3.3%	11.6	-0.9%
2008	65,874	-8.4%	5,661	-8.9%	11.6	0.0%
2009	55,385	-15.9%	4,687	-17.2%	11.8	1.7%
2010	52,392	-5.4%	4,484	-4.3%	11.7	-0.8%
2011	48,940	-6.6%	4,180	-6.8%	11.7	0.0%
			Five-year average months:		11.7	
			Ten-year average months:		11.6	

SEGAL

D. ACTUARIAL EXPERIENCE

To calculate the cost requirements of the Plan, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions and, to the extent that there are differences in that year, the contribution requirement is adjusted. If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long run, experience will return to that originally assumed. For contribution requirements to remain stable, assumptions should approximate experience.

When compared to the projected actuarial accrued liability of $1,999,811,085 as of December 31, 2011, the net experience variation other than investment experience was not significant. On the following pages is a discussion of the major components of the actuarial experience.

This chart provides a summary of the prior year's actuarial experience.

CHART 12

Actuarial Experience for the Year Ended December 31, 2011

1	Net loss from investments*	-$43,140,124
2	Net loss from administrative expenses	-253,032
3	Net gain from other experience	5,606,011
4	Net experience loss: (1) + (2) + (3)	-$37,787,145

* *Details in Chart 13.*

Investment Rate of Return
Because earnings on investments significantly affect the cost of the Plan, an assumption is made about the rate of return on plan assets. The rate of return is investment income net of investment expenses, expressed as a percentage of the average actuarial value of assets during the year.

Investment income for the purposes of the actuarial valuation consists of interest and dividend income and the adjustment for market value changes. Investment expenses are subtracted.

This chart shows the portion of the loss due to investment experience.

CHART 13

Actuarial Value Investment Experience for the Year Ended December 31, 2011

1	Net investment income	$42,140,746
2	Average actuarial value of assets	1,176,287,868
3	Rate of return: (1) ÷ (2)	3.58%
4	Assumed rate of return	7.25%
5	Expected net investment income: (2) x (4)	$85,280,870
6	Actuarial loss: (1) – (5)	-$43,140,124

For your information, the chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and ten-year averages. However, actuarial planning is long term as the obligations of pension plans are expected to continue for the lifetime of its active and inactive participants.

As indicated below, the experience in the past few years has shown both higher and lower rates of return than the long-term assumption. Overall, interest rates have declined substantially and continue to do so in the current economic environment. Based upon this experience, the current asset allocation, and future expectations, we have maintained the assumed long-term rate of return of 7.25%. However, we will continue to monitor the plan's investment returns and may revise our assumed long-term rate of return in a future actuarial valuation, if warranted.

CHART 14

Investment Return – Actuarial Value vs. Market Value: 2002 - 2011

	Net Interest and Dividend Income		Adjustment Toward Market Value		Actuarial Value Investment Return		Market Value Investment Return	
Year Ended December 31	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2002	$48,601,263	3.41%	-$3,207,557	-0.22%	$45,393,706	3.19%	-$89,236,183	-6.68%
2003	42,459,075	2.97%	18,732,995	1.31%	61,192,070	4.28%	184,138,629	15.25%
2004	40,090,505	2.78%	20,474,952	1.42%	60,565,457	4.20%	100,886,814	7.52%
2005	34,974,526	2.42%	18,978,130	1.32%	53,952,656	3.74%	74,528,689	5.39%
2006	39,606,790	2.77%	53,225,232	3.72%	92,832,022	6.49%	195,157,758	14.03%
2007	37,889,042	2.61%	94,006,873	6.47%	131,895,915	9.08%	114,762,992	7.58%
2008	39,032,910	2.59%	-214,275,326	-14.23%	-175,242,416	-11.64%	-435,550,927	-28.08%
2009	30,324,368	2.44%	30,648,145	2.47%	60,972,513	4.91%	239,476,303	23.35%
2010	28,171,854	2.34%	49,630,782	4.13%	77,802,636	6.47%	151,288,010	12.97%
2011	29,788,416	2.53%	12,352,330	1.05%	42,140,746	3.58%	4,437,230	0.37%
Total	$370,938,749		$80,566,556		$451,505,305		$539,889,315	
				Most recent five-year average return:		2.09%		1.15%
				Ten-year average return:		3.28%		4.11%

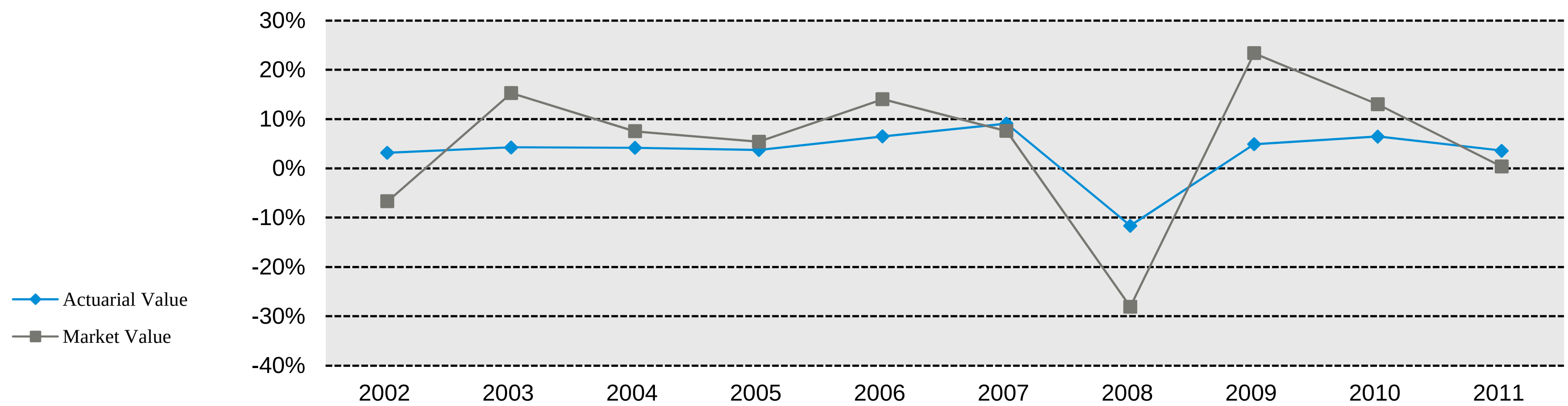
Note: Each year's yield is weighted by the average asset value in that year.

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return and to produce more level pension plan costs.

This chart illustrates how this leveling effect has actually worked over the past ten years.

CHART 15

Market Value and Actuarial Rates of Return for Years Ended December 31, 2002 - 2011



Administrative Expenses
Administrative expenses for the year ended December 31, 2011 totaled $3,244,994, compared to the assumption of $3,000,000, payable monthly. This resulted in a loss of $253,032 for the year when adjusted for timing. We have maintained the assumption of $3,000,000 for the current year. If actual expenses continue at the current level, this assumption will be increased in future valuations.

Mortality Experience
Mortality experience (fewer or more than expected deaths) yields actuarial gains or losses. The average number of deaths for nondisabled pensioners over the past four years was 303 compared to 285 expected deaths per year. The average number of deaths for disabled pensioners over the past four years was 33 compared to 35 expected deaths per year. We will continue to monitor the mortality experience and the margin for future mortality improvement. If recent experience continues for disabled pensioners, we expect to revise our assumption in next year's actuarial valuation.

Other Experience
There are other differences between projected and actual experience that appear when a new valuation is compared with projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than projected), and
- pre-retirement mortality (more or fewer deaths than projected).

Another difference may be a significant change among the participants, such as the reemployment of previously inactive participants who are not vested but have credit for prior service.

The net gain from mortality and other experience amounted to $5,606,011 for the last plan year.

E. SCHEDULED COST VS. CONTRIBUTIONS

The Scheduled Cost is the amount of annual contribution determined in accordance with the amortization approach adopted by the Trustees. It provides a long term evaluation of whether benefit levels are sustainable given the negotiated contributions and the expectation of a continuing Plan.

On March 8, 2011, the Trustees adopted a resolution to forestall insolvency under the plan. Because the Scheduled Cost provides a “long-term” measure of the plan’s funding status, it is not relevant to a plan expected to be insolvent in the future. Therefore, we recommend removing the Scheduled Cost measure beginning with next year’s report.

The Scheduled Cost as of January 1, 2012 is based on all of the data described in the previous sections and the actuarial assumptions and methods described in the Certificate of Actuarial Valuation. It includes all changes affecting future costs, all plan provisions adopted at the time of the preparation of the Actuarial Valuation, actuarial gains and losses, changes in the actuarial assumptions and the effect of contribution levels that were higher or lower than necessary to meet the prior year's Scheduled Cost.

The following plan change was reflected in this valuation:

- The Trustees implemented a Rehabilitation Plan with a schedule that reduced Plan benefits as described in Section 4, Exhibit VIII. This year’s valuation recognizes the benefit reductions for members covered under expected collective bargaining agreements (CBAs) that are expected to adopt the schedule before 2013.

The contribution rate change included in this valuation is:

- The average contribution rate increased from $393.62 per month to $399.53 per month.

The actuarial assumptions are unchanged from our prior valuation.

The Plan's Scheduled Cost is based on a funding schedule different from the minimum funding requirements established by ERISA. While the ERISA Funding Standard Account (FSA) has separate components with different amortization schedules for each change in the unfunded actuarial accrued liability due to (a) experience gains and losses, (b) revised assumptions and (c) benefit changes, the Scheduled Cost is derived by using a single amortization schedule (fixed 20-year period) for the Plan's combined unfunded actuarial accrued liability. As of January 1, 2012, the unfunded actuarial accrued liability totaled $807,915,480 (actuarial accrued liability of $1,971,554,896 less assets of $1,163,639,416).

The Scheduled Cost recognizes all plan provisions at the time the Actuarial Valuation was prepared. This differs slightly from the plan of benefits used for the coming year (for the year beginning January 1, 2012) Funding Standard Account purposes because the FSA does not reflect the Rehabilitation Plan Schedules expected to become effective in 2012 until the middle of the year.

This chart compares this valuation's Scheduled Cost with the corresponding determination one year earlier.

CHART 16

Scheduled Cost

		Year Beginning January 1	
	Cost Element	**2012**	**2011**
1	Normal cost, including administrative expenses	$6,498,153	$7,032,993
2	Amortization of the unfunded actuarial accrued liability	72,493,816	67,790,565
3	Adjustment for monthly payments	3,035,651	2,875,460
4	Total Scheduled Cost, payable monthly	$82,027,620	$77,699,018

A reconciliation of the prior year's Scheduled Cost with the current year's Scheduled Cost is presented in Chart 17. As indicated, the cost increase is primarily due to an investment loss and to contributions falling short of the Scheduled Cost for the prior year.

This chart illustrates the changes in the Scheduled Cost over the preceding plan year.

CHART 17

Reconciliation of the Scheduled Cost

Scheduled Cost as of January 1, 2011		$77,699,018
Effect of plan amendments, including changes in contribution rates	-$2,468,901	
Effect of frozen amortization period	-1,884,169	
Effect of contributions (more)/less than Scheduled Cost	5,283,863	
Effect of investment loss	4,117,426	
Effect of other gains and losses on accrued liability	-412,937	
Effect of net other changes, including composition and number of participants	-306,680	
Total change		$4,328,602
Scheduled Cost as of January 1, 2012		$82,027,620

Plan's Margin/(Deficit)

If the contributions projected at the negotiated contribution rates exceed the Scheduled Cost, the plan has a margin. If the Scheduled Cost exceeds the projected negotiated contributions, a deficit results. The projected employer contributions are based on the Trustees' assumption that 4,180 participants will work an average of 11.5 months at the $399.53 average negotiated contribution rate. The annual contribution amount is projected to be $19,205,407. This falls short of the Scheduled Cost of $82,027,620 by $62,822,213, or 327.1% of projected contributions.

The Scheduled Cost deficit is large enough that the unfunded actuarial accrued liability is not being amortized.

This chart compares the Scheduled Cost with contributions projected at the negotiated contribution rates.

CHART 18

Contributions Projected at the Negotiated Contribution Rates vs. Scheduled Cost

		Year Beginning January 1, 2012	
		Amount	**Rate per Month**
1	Total projected employer contributions (4,180 participants at 11.5 months)	$19,205,407	$399.53
2	Scheduled Cost (fixed 20-year amortization period)	82,027,620	1,706.42
3	Projected margin/(deficit) for the year: (1) – (2)	-$62,822,213	-$1,306.89

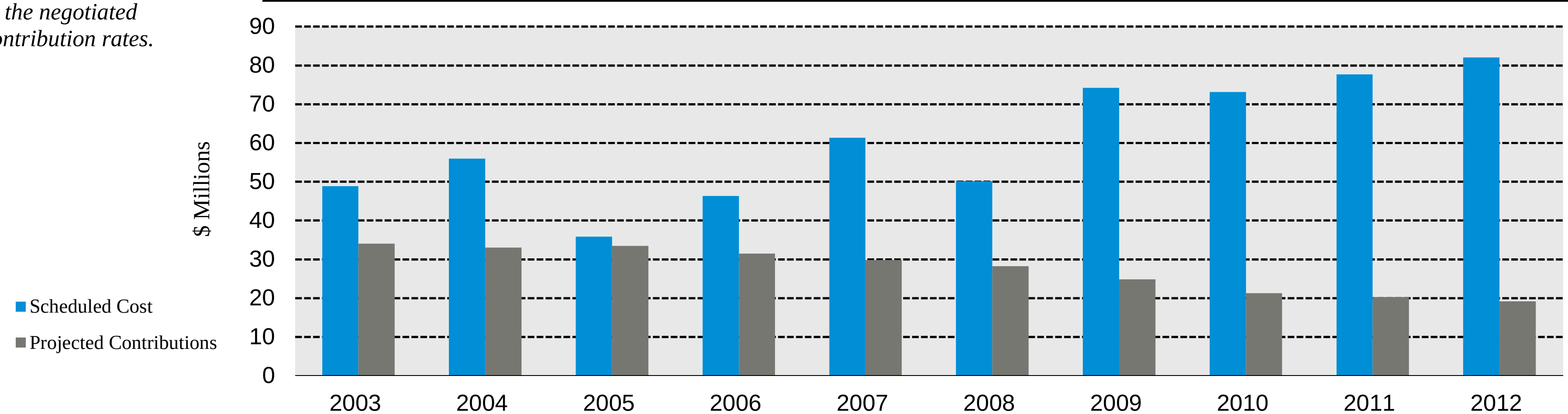
As previously noted, the Scheduled Cost is based on an amortization schedule that is different from what is demanded for the Funding Standard Account. Simply avoiding a legal funding deficiency as determined by the Funding Standard Account is not, in our opinion, an adequate or stable basis for funding the Plan through contribution rates that are fixed in multi-year contracts. PPA'06 reinforces this position by requiring formal annual projections and requires a Funding Improvement Plan or Rehabilitation Plan under certain conditions.

In Chart 19, the margin/(deficit) is represented by the difference between contributions projected at the negotiated contribution rates and the Scheduled Cost.

Chart 19 shows a comparison of Scheduled Cost and contributions projected at the negotiated contribution rates.

CHART 19

Scheduled Cost and Contributions Projected at the Negotiated Contribution Rates for Years Beginning January 1



F. CASH FLOW

The Trustees adopted a resolution on March 8, 2011 to forestall insolvency under the plan. Once the Fund's assets are exhausted in 2026, PBGC financial assistance will be needed to continue payment of Plan benefits at the reduced PBGC guaranteed benefit level. This section provides information about the Plan's projected insolvency.

Based on this valuation, Chart 20 illustrates that assets are projected to be exhausted in 2026.

These projections are based on the plan of benefits and assumptions used for the 2012 PPA certification, adjusted for the following:

- assumes all non-retired members are covered under the Rehabilitation Plan Schedule,
- reflects the Trustees' decision to increase contribution rates by 5% per year over 7 years, beginning January 1, 2013, and
- assumes no future withdrawal liability payments.

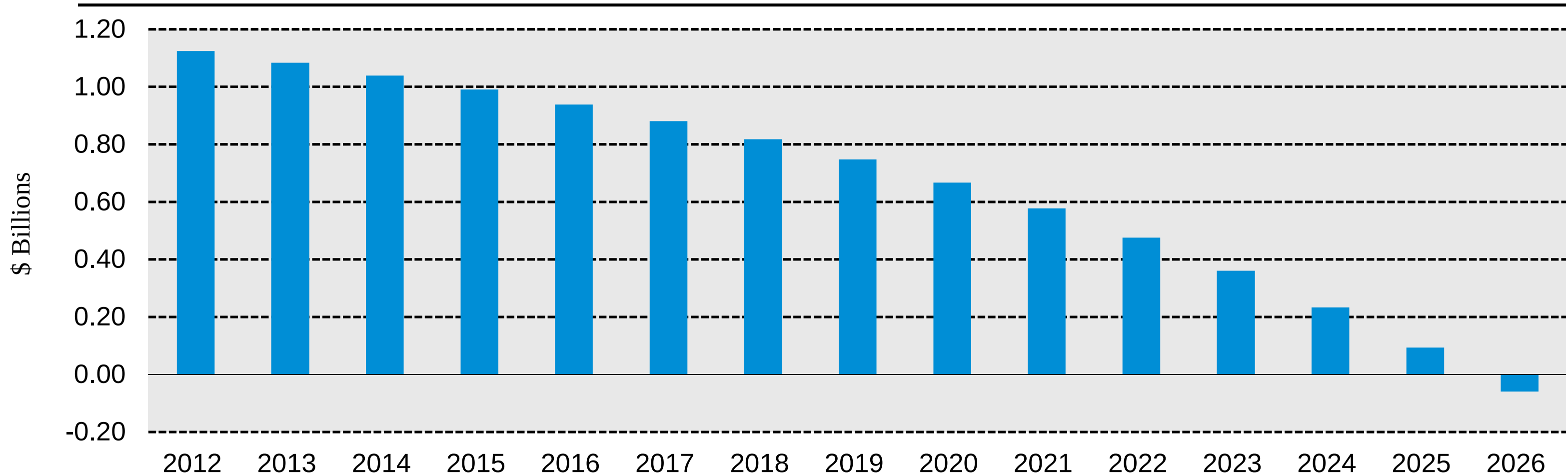
Chart 20 shows how the market value of assets would be affected by this scenario. If requested, we are available to develop additional scenarios based on different assumptions, plan provisions and/or contribution rates.

Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules. We will work with the Trustees to provide annual cash flow projections to assist the Trustees with those updates and to prepare our required assessment of scheduled progress in meeting the requirements of that Plan.

This chart shows the projected market value of assets until projected insolvency. It does not reflect any reduction in benefits or PBGC assistance that may occur as a result of insolvency.

CHART 20

Projected Market Value of Assets for Years Ending December 31



G. SUMMARY OF CONTRIBUTION REQUIREMENTS

Contributions

ERISA imposes a minimum funding standard that requires the Plan to maintain a Funding Standard Account. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency. The accumulation of the actual contributions in excess of the minimum required contributions under ERISA is called the credit balance. If actual contributions fall short of the minimum required contributions on a cumulative basis, a funding deficiency has occurred.

Increases or decreases in the actuarial accrued liability due to assumption changes and plan amendments are amortized over 15 years and short-term benefits, such as 13th checks, are amortized over the scheduled payout period. PRA 2010 allows eligible plans to amortize certain losses over periods up to 29 years.

Employers who contribute to defined benefit pension plans are also subject to maximum deductible contribution limitations prescribed by the IRS. For the development of the maximum deductible contribution amount, see Section 3, Exhibit F.

Based on the assumption that 4,180 participants will work an average of 11.5 months at a $399.53 average contribution rate, the contributions projected for the year beginning January 1, 2012 are $19,205,407 as shown in Chart 21. Contributions for the year beginning January 1, 2012 are projected to be less than the minimum required contributions. However, employers are not liable for satisfying the ERISA minimum funding standard for any plan year in which the plan is in critical status pursuant to Section 432, but only if the plan adopts and complies with a rehabilitation plan in accordance with Section 432(e).

This chart summarizes the contribution information for the valuation year.

CHART 21

Contribution Requirements vs. Contributions Projected for Year Beginning January 1, 2012

ERISA minimum required contribution	$150,517,677
Projected contributions	19,205,407
Maximum deductible contribution	2,871,392,301

Funding Standard Account

The Funding Standard Account is charged with a normal cost and the amortization of increases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience losses and 3) changes in actuarial assumptions and funding methods. The account is credited with employer contributions, withdrawal liability payments and the amortization of decreases in the unfunded actuarial accrued liability due to 1) plan amendments, 2) experience gains and 3) changes in actuarial assumptions and funding methods.

On December 31, 2011, the Funding Standard Account had a funding deficiency of $16,900,461, as shown on the 2011 Schedule MB.

We are available to work with the Trustees to develop credit balance projections.

Chart 22 presents the Funding Standard Account information for the year ended December 31, 2011.

CHART 22

Funding Standard Account for the Year Ended December 31, 2011

	Charges			Credits	
1	Normal cost, including administrative expenses	$7,041,055	5	Prior year credit balance	$23,560,939
2	Total amortization charges	162,324,582	6	Employer contributions	24,016,267
3	Interest to end of the year	12,279,009	7	Total amortization credits	106,889,496
4	Total charges	$181,644,646	8	Interest to end of the year	10,277,483
			9	Full-funding limitation credit	0
			10	Total credits	$164,744,185
			11	Credit balance: (10) – (4)	-$16,900,461

H. PENSION PROTECTION ACT OF 2006 (PPA'06)

PPA'06 preserves the current basic structure of ERISA's funding rules for multiemployer pension plans, while tightening them in some regards and adding new flexibility for trustees and bargaining parties in other areas. To identify emerging funding challenges so they can be addressed effectively, PPA'06 calls on trustees to actively monitor their plans' financial prospects. Trustees are required to review formal projections of the financial status of their plans at least annually.

The "zone" rules created by PPA '06 are scheduled to expire ("sunset") for plan years beginning after December 31, 2014. However, if a pension plan is operating under a Funding Improvement Plan or a Rehabilitation Plan for the last plan year beginning in 2014, that Funding Improvement Plan or Rehabilitation Plan will remain in effect, as will all provisions of the Internal Revenue Code or ERISA regulating the operation of such Funding Improvement Plan or Rehabilitation Plan.

We will keep you informed of legislative changes as they develop.

PPA'06 Zone Status

Based on projections of the credit balance in the Funding Standard Account, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones."

A plan is classified as being in critical status (the *Red Zone*) if:

- The PPA'06 funded percentage is less than 65%, and either there is a projected Funding Standard Account deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or
- There is a projected Funding Standard Account deficiency within four years, or
- There is an inability to pay benefits within five years, or
- The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected Funding Standard Account deficiency within five years, or
- The plan was in critical status for the immediately preceding plan year and there is a projected Funding Standard Account deficiency within ten years.

For a plan that is in critical status, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.

Red Zone plans have new tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Plans in the *Red Zone* may not pay lump sums. They may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

A plan is classified as being in endangered status (the *Yellow Zone*) if:

- The PPA'06 funded percentage is less than 80%, or

- There is a projected Funding Standard Account deficiency within seven years, and
- The plan is not in critical status (*Red Zone*).

The corrective actions for endangered plans are based on the adoption of a formal Funding Improvement Plan, designed to improve gradually the current funded percentage, to forestall a funding deficiency and to keep the plan out of critical status.

A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of those plans must take interim measures to delay the projected funding deficiency by one year and improve the plan's funded percentage.

A plan is classified as being in the *Green Zone* if it is neither in critical status (the *Red Zone)* nor in endangered status (the *Yellow Zone).*

Funded Percentage

For purposes of PPA'06, the funded percentage is determined using the actuarial value of assets and the "Unit Credit accrued liability." This liability is generally equivalent to the present value of benefits earned to date, as discussed in Subsection H, and is based on the actuary's best estimate assumptions.

2012 Actuarial Status Certification

The actuarial certification of plan status under PPA'06 is required not later than the 90th day of the plan year.

The 2012 certification was based on the liabilities calculated in the 2011 actuarial valuation, adjusted for subsequent events and projected to December 31, 2011, and on estimated asset information as of December 31, 2011. In addition, the Trustees provided an industry activity assumption that the total number of contributory months will decline by 5% in 2012, 2% in 2013, then 1% per year after. This Plan was classified as critical (*Red Zone*) because there was a projected deficiency in the Funding Standard Account within one year.

This plan was first categorized as in critical status in 2008. The Trustees adopted a rehabilitation plan to enable the plan to cease being in critical status by the end of the rehabilitation period. Under the rehabilitation plan, new collective bargaining agreements negotiated on or after April 28, 2008 will include the maximum benefit reductions allowed by law. These reductions include the removal of all early retirement subsidies, joint and survivor subsidies, disability pensions, the 36-payment pre-retirement death benefit and all benefit options besides single life annuity or the QJSA. The Rehabilitation Plan also includes supplemental off-benefit contributions to the plan beginning January 1, 2013.

The Trustees elected under the Worker, Retiree and Employer Recovery Act of 2008 (WRERA) to freeze the Zone Status for 2009 at the level it was assigned for 2008, (i.e., critical). As a result, an update to the rehabilitation plan was not required in the 2009 Plan Year. The Trustees also elected under WRERA to extend the rehabilitation period by three additional years.

The Trustees have determined that they could not make any reasonable updates to the original Rehabilitation Plan to emerge from critical status and have adopted a resolution to forestall plan insolvency. As part of their resolution, effective February 1, 2011, benefits cannot commence prior to normal retirement age for inactive vested participants. The Trustees are in the process of updating their Rehabilitation Plan to finalize the resolution to forestall insolvency. Working towards this goal, the Trustees have reduced the supplemental off-benefit contributions to encourage continued plan participation. We are prepared to work with the Trustees in evaluating other alternatives for this Plan.

2013 Actuarial Status Certification

Based on the assumptions and methods employed for this 2012 valuation, this plan will likely be categorized as in critical *(Red Zone)* status for 2013, unless it meets the "red zone" criteria of having no projected funding deficiency within 10 years, and not triggering any of the red zone entry criteria. However, the actual status for the 2013 Plan Year will involve the following:

- Updated asset information,
- Trustee input on industry activity, and
- Projections of benefit liabilities that recognize adopted plan changes, changes in collectively bargained contribution rates and other significant events.

I. DISCLOSURE REQUIREMENTS

Present Value of Accumulated Plan Benefits (PVAB)

Financial reporting, in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 960, requires determination of the present value of accumulated plan benefits. It is the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. These present values are determined based on the plan of benefits reflected for Funding Standard Account purposes and are based upon the actuarial assumptions used to determine the ERISA funding costs of the ongoing Plan. These are not appropriate liability measurements for other purposes such as if the Plan were to terminate.

Chart 23 shows the present value of vested and accumulated plan benefits and the funded percentages based on the actuarial value of assets, for the 2012 and 2011 valuations. The PVAB funded percentage for 2012 is not the same as that used to determine the annual certification required under PPA'06. The values shown in Charts 23, 24, and 25 reflect current participant and financial information, whereas the annual certification was based on prior participant data and estimated financial results.

For a detailed breakdown of this information and reconciliation from last year to this year, see Section 4, Exhibit VI.

This chart shows the calculation of the funded percentage.

CHART 23

Present Value of Vested and Accumulated Plan Benefits

		January 1	
		2012	**2011**
1	Present value of vested accumulated plan benefits	$1,953,192,845	$1,958,179,752
2	Present value of accumulated benefits	1,963,150,821	1,976,368,800
3	Actuarial value of assets	1,163,639,416	1,231,077,065
4	PVAB funded percentage: (3) ÷ (2)	59.3%	62.3%

Chart 24 below compares the present value of accumulated plan benefits with the actuarial value of assets over the past ten years. Chart 25 shows the relationship of these measures as a percentage.

A historical comparison over the past ten years is shown in these charts.

CHART 24

Present Value of Accumulated Plan Benefits vs. Actuarial Value of Assets as of January 1, 2003 - 2012

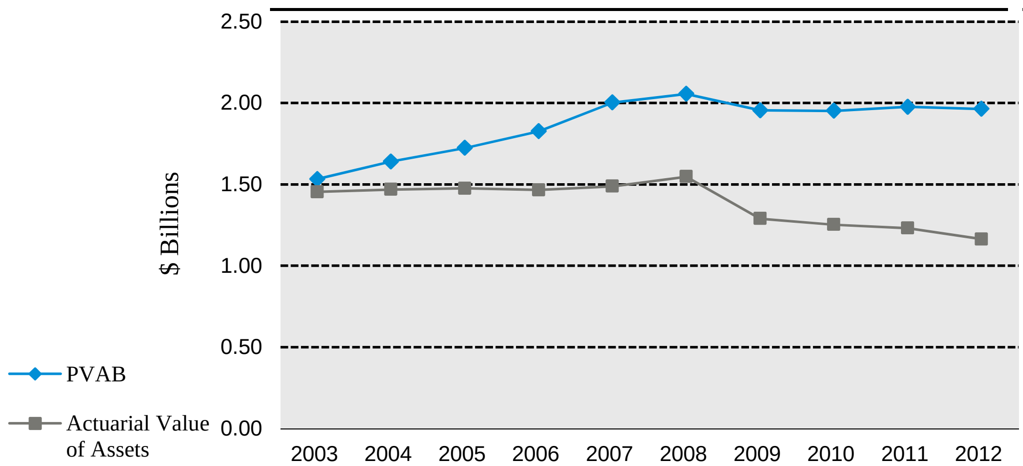
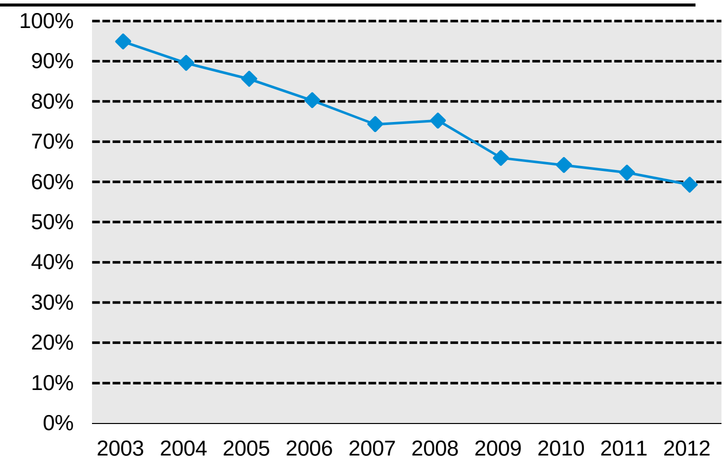


CHART 25

Actuarial Value of Assets as a Percentage of Present Value of Accumulated Plan Benefits as of January 1, 2003 - 2012



Annual Funding Notice

PPA'06 requires the annual funding notice to be provided to participants, employers, unions and government agencies. Beginning with the 2008 Plan Year, it must include much more information, and it must be sent by 120 days after the end of the plan year. The actuary's "best estimate" assumptions are the basis for the measurement of the funding notice percentage.

As shown in Chart 23, the value of plan benefits earned to date as of January 1, 2012 is $1,963,150,821 using the long-term funding interest rate of 7.25%. As the actuarial value of assets is $1,163,639,416, the Plan's funded percentage is 59.3%, compared to 62.3% in the prior year. The funded percentage is one measure of a plan's funded status. It is not indicative of how well funded a plan may be in the future, especially in the event of plan termination.

Although the annual funding notice was revised, ERISA still requires the disclosure by the actuary of the funding percentage based on "current liability" assumptions and the market value of assets, if it is less than 70%. As shown in Section 4, Exhibit V, the Plan's current liability as of January 1, 2012 is $2,879,313,364 using an interest rate of 4.29%. As the market value of assets is $1,162,980,990, this funded current liability percentage is 40.39%. This will be disclosed on the 2012 Schedule MB of IRS Form 5500.

The actuarial information to be provided in the annual funding notice is shown in Section 3, Exhibit D.

Disclosure of Any Recent Adverse Developments

As amended in 1980, ERISA requires the Plan's enrolled actuary to provide a statement for inclusion in the Plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered and that may materially increase the cost of the Plan, they must advise The Segal Company, so that we can evaluate it and take it into account.

J. WITHDRAWAL LIABILITY

As of December 31, 2011, the actuarial present value of vested plan benefits for withdrawal liability purposes is $2,305,943,940. This figure does not reflect the plan changes first effective in 2012. This is not the same figure as determined for FASB ASC 960 purposes because the two calculations involve different benefit provisions and different actuarial assumptions. For purposes of determining the present value of vested benefits, we excluded some benefits that are not protected by IRC Section 411(d)(6), including pre-retirement death benefits. After adding in the unamortized value of Affected Benefits pools, the total present value of vested benefits is $2,499,571,405. Since the market value of assets as of the same date is $1,162,980,990, the unfunded present value of vested benefits for withdrawal liability purposes is $1,336,590,415. The increase in the unfunded present value of vested benefits from the prior year is primarily due to a decline in the PBGC interest rates and a market value investment loss.

Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded for determination of withdrawal liability. The Trustees have adopted a new method for calculating withdrawal liability effective for withdrawals that occur on and after March 8, 2011. The new method is based upon the Pension Benefit Guaranty Corporation's (PBGC) Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.

CHART 26

Withdrawal Liability – Unfunded Present Value of Vested Benefits

		December 31	
		2011	**2010**
1	Present value of vested benefits measured as of valuation date	$2,305,943,940	$2,290,825,256
2	Unamortized value of Affected Benefits pools	193,627,465	174,999,224
3	Total present value of vested benefits: (1) + (2)	$2,499,571,405	$2,465,824,480
4	Market value of assets	1,162,980,990	1,268,122,155
5	Unfunded present value of vested benefits: (3) – (4)	$1,336,590,415	$1,197,702,325

As of December 31, 2011, a new Affected Benefits pool of $26,754,854 was created and is included for this purpose in line 2 of Chart 26.

The major assumptions used in the valuation of the unfunded present value of vested benefits for withdrawal liability purposes are as follows:

- Interest: For liabilities up to market value of assets, 4.09% for 20 years and 4.30% beyond (4.48% for 25 years and 4.51% beyond in the prior year valuation). For liabilities in excess of market value of assets, same as used for plan funding as of beginning of current year.
- Administrative expenses: Calculated as prescribed by PBGC formula (29 CFR Part 4044, Appendix C); not applicable to those liabilities determined using funding interest rates.
- Mortality: Same as used for plan funding as of beginning of current year.
- Retirement rates: Same as used for plan funding as of beginning of current year.

For purposes of withdrawal liability, these actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, offer the actuary’s best estimate of anticipated experience under the Plan.

A detailed report on withdrawal liability is available.

EXHIBIT A

Table of Plan Coverage

Category	Year Ended December 31 2011	Year Ended December 31 2010	Change From Prior Year
Active participants in valuation:			
Number	4,180	4,484	-6.8%
Average age	45.1	45.2	N/A
Average years of Credited Service	12.3	12.4	N/A
Average contribution rate for coming year	$399.53	$393.62	1.5%
Number with unknown age	14	29	-51.7%
Total active vested participants	3,371	3,587	-6.0%
Inactive participants with rights to a pension:			
Number	10,749	10,882	-1.2%
Average age	52.8	52.4	N/A
Average monthly benefit	$847	$817	3.7%
Pensioners (including disableds):			
Number in pay status	9,031	8,928	1.2%
Average age	71.4	71.2	N/A
Average monthly benefit	$1,101	$1,086	1.4%
Number in suspended status	57	50	14.0%
Beneficiaries:			
Number in pay status	2,314	2,265	2.2%
Average age	74.5	74.3	N/A
Average monthly benefit	$366	$351	4.3%

EXHIBIT B

Summary Statement of Income and Expenses on an Actuarial Basis

	Year Ended December 31, 2011		Year Ended December 31, 2010	
Contribution income:				
Employer contributions	$19,621,549		$21,260,518	
Liquidated damages	128,812		101,781	
Withdrawal liability payments	4,265,906		9,557,144	
Less administrative expenses	-3,244,994		-3,378,884	
Net contribution income		$20,771,273		$27,540,559
Investment income:				
Interest and dividends	$35,561,694		$34,004,625	
Adjustment toward market value	12,352,330		49,630,782	
Less investment fees	-5,773,278		-5,832,771	
Net investment income		42,140,746		77,802,636
Total income available for benefits		$62,912,019		$105,343,195
Less benefit payments		-$130,349,668		-$126,673,029
Change in reserve for future benefits		-$67,437,649		-$21,329,834

EXHIBIT C

Financial Information Table

	Year Ended December 31, 2011		Year Ended December 31, 2010	
Cash equivalents		$12,086,372		$16,120,147
Accounts receivable:				
Employer contributions	$1,600,000		$1,700,000	
Accrued investment income	4,569,940		9,143,896	
Total accounts receivable		6,169,940		10,843,896
Investments:				
Fixed income	$374,217,965		$389,446,365	
Equities	718,375,468		803,410,595	
Other investments	54,144,387		52,782,185	
Total investments at market value		1,146,737,820		1,245,639,145
Total assets		$1,164,994,132		$1,272,603,188
Less accounts payable		-$2,013,142		-$4,481,033
Net assets at market value		$1,162,980,990		$1,268,122,155
Net assets at actuarial value		$1,163,639,416		$1,231,077,065

EXHIBIT D

Annual Funding Notice for Plan Year Beginning January 1, 2012 and Ending December 31, 2012

	2012 Plan Year	2011 Plan Year	2010 Plan Year
Actuarial valuation date	January 1	January 1	January 1
Funded percentage	59.3%	62.3%	64.2%
Value of assets	$1,163,639,416	$1,231,077,065	$1,252,406,899
Value of liabilities	1,963,150,821	1,976,368,800	1,952,028,529

Fair value of assets as of December 31, 2012	Not available
Fair value of assets as of December 31, 2011	$1,162,980,990
Fair value of assets as of December 31, 2010	1,268,122,155

Critical or Endangered Status

The Plan was in critical status in the plan year for the following four reasons:

1. The plan had a projected funding deficiency within 4 years;
2. The plan was in critical status last year and had a projected funding deficiency within 10 years;
3. The plan had a funded percentage less than 65% and a projected funding deficiency within 5 years; and
4. The plan’s inactive vested liability exceeded that for actives and the plan had a projected funding deficiency within 5 years and the plan’s projected contributions fall short of the plan’s normal cost plus interest on unfunded liability.

EXHIBIT E

Reorganization

Under the reorganization provisions of the IRC, the Minimum Contribution Requirement (MCR) is calculated as the amount that amortizes the unfunded liability for current pensioners over ten years and the unfunded vested liability for non-pensioners over 25 years. The MCR is applicable only if this amount is larger than the Funding Standard Account (FSA) requirement before the application of the credit balance.

If the MCR is applicable, the Plan is said to be "in reorganization." When a plan is in reorganization, contribution requirements are greater than the normal ERISA funding requirements, a plan must give notice to its participating employers and union(s) that it is in reorganization, cut-backs in recent benefit increases are permitted and any new benefit increases must be adequately funded. We are prepared to discuss the implications of reorganization status in more detail.

As noted on page 1-2, this valuation was completed assuming that the Trustees would combine and offset the amortization bases in the FSA. By doing so, for the year beginning January 1, 2012, the MCR does not exceed the FSA requirement before the application of the credit balance, and is therefore not applicable for the current year. If no changes are made to FSA bases, the plan would be in reorganization for 2012.

The Trustees should be aware that the recent adverse experience when fully reflected will increase the MCR more rapidly than the Funding Standard Account requirement and potentially place the Plan in reorganization. We will continue to monitor experience and review the applicability of the MCR to determine whether this may be avoided.

The funding requirements of ERISA and application of those rules are quite complicated. We can work with Legal Counsel to seek their advice as to the interpretation and applicability of the law and to determine how these issues apply to your Plan.

EXHIBIT F

Maximum Deductible Contribution

Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.

One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This is the limit that applies to your Plan as shown below.

Contributions received by the Plan in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.

You should review with Fund Counsel the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts.

This chart presents the calculation of the maximum deductible contribution for the January 1, 2012 - December 31, 2012 year.

Maximum Deductible Contribution

1.	Normal cost, including administrative expenses	$6,660,948
2.	Amortization of unfunded actuarial accrued liability, fresh start as of January 1, 2012	108,495,925
3.	Preliminary maximum deductible contribution: (1) + (2), with interest to the end of the plan year	123,505,746
4.	Full-funding limitation (FFL)	1,450,996,822
5.	Preliminary maximum deductible contribution, adjusted for FFL: lesser of (3) and (4)	123,505,746
6.	Current liability, projected to the end of the plan year	2,840,790,958
7.	Actuarial value of assets, projected to the end of the plan year	1,105,715,040
8.	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	2,871,392,301
9.	End of year minimum required contribution	150,517,677
10.	Maximum deductible contribution: greatest of (5), (8), and (9)	$2,871,392,301

EXHIBIT G

Section 415 Limitations

Section 415 of the Internal Revenue Code specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan. If an individual is covered solely by multiemployer plans, the plans do not have to be combined for any of the limits. If the individual is covered by a single-employer plan, all plans maintained by the same employer are combined in applying these tests. Multiemployer plan benefits do not need to be combined with single-employer plan benefits in testing against the pay-based limit.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification; the plan could lose its tax exemption, employers could lose their deductions and active participants could be taxed on their vested benefits.

In particular, Section 415(b) of the IRC as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) limits the maximum annual benefit payable at age 62 to a dollar limit of $160,000 indexed for inflation. The dollar limit indexed for inflation is $195,000 for 2011 and $200,000 for 2012. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances for such things as age at retirement and form of benefits chosen.

While the actual determination of the exact limits applicable to each participant's benefit can only be done when the individual retires and applies for benefits, the overall impact of the Section 415 dollar limits has been reflected in this valuation for plan funding purposes, based on our understanding of the requirements of IRC Sections 404, 415 and 431 and the data available to us.

Fund Counsel's review and interpretation of the law and regulations must be sought in this area as well.

EXHIBIT H
General Background

An outline of the major developments in connection with the Plan's background and position is given below:

Changes in Benefit Amounts and Average Contribution Rate since January 1, 1976:

Effective Date			Monthly Pension Amount		
Year	Month	Average Monthly Contribution Rate	Per Year of Past Service	Future Service (per $100 of Contributions)	Improvement to Existing Retirees
1976	January		$ 5.00	$2.75	
1980	January	$ 87.58	5.50	3.03	10%
1981	November	103.49			(1)
1984	September	126.33	6.05	3.33	10%
1986	January	139.13	6.96	3.83	15%
1989	January	153.00	7.27	4.00	4.5%
1990	January	163.60	7.71	4.24	6%
1991	December	180.00			(1)
1992	January	183.00	7.71	$4.45/$4.24(2)	4.25%
1993	January	187.00		$4.50/$4.24(3)	1%
1994	January	191.25		$4.50/$4.24(4)	4%(1)
1995	January	200.67			
1996	January	220.37		$4.50/$4.24(5)	
1997	January	195.75		$4.73/$4.24(5)	2%(1)

SEGAL

Changes in Benefit Amounts and Average Contribution Rate since January 1, 1976 (continued):

Effective Date			Monthly Pension Amount		
Year	Month	Average Monthly Contribution Rate	Per Year of Past Service	Future Service (per $100 of Contributions)	Improvement to Existing Retirees
1998	January	$205.64		$4.90/$4.73[4]/$4.24[5]	1%[1]
1999	January	208.60	10.00	$5.00/$4.24[5]	2%[1]
2000	January	222.52			
2001	January	235.22			
2002	January	324.40			
2003	January	352.56			
2003	July			$5.00/$3.00[6]	
2004	January	365.78			
2005	January	390.04		$0.50/$1.00/$2.00[7]	
2006	January	393.84			
2007	January	404.09			
2008	January	395.33			
2008	July			$1.00[8]	
2009	January	381.89			
2010	January	394.93			
2011	January	393.62			
2012	January	399.53			

(1) Additional, one-time only, pension payment was granted.

(2) The lower factor applies to service after January 1, 1992.

(3) The lower factor applies to service after January 1, 1994.

(4) The lower factor applies to service after January 1, 2000.

(5) The lower factor applies to service after January 1, 2005.

(6) The lower factor applies to service after July 1, 2003.

(7) The first factor applies to the first $250 of monthly contributions, the second factor applies to the second $250 of monthly contributions, and the last factor applies to monthly contributions in excess of $500. All three factors apply to service after January 1, 2005.

(8) This factor applies to service after July 1, 2008.

Other Developments:

Date	Event
September 1, 1955:	Board of Trustees executed Trust Agreement.
	Pension Plan was adopted.
July 12, 1956:	Favorable determination letter from the Internal Revenue Service was received.
January 1, 1976:	Plan revised to satisfy ERISA.
	Funding Standard Account was established.
January 1, 1985:	Early Retirement reduction factor was lowered to 1/3 of 1% per month.
January 1, 1986:	Plan amended to satisfy REA.
	Partial vested-rights adopted for participants with at least 5 years of service.
	Early Retirement reduction was dropped for participants retiring at age 62 or later and lowered to 1/4 of 1% per month for ages between 55 and 62.
	Eligibility requirements for Early Retirement and Disability pensions were lowered to 5 years of service.
	Pre-retirement death benefits are payable on the basis of vested percentage.
January 1, 1997:	Full vesting adopted for participants with at least 5 years of service.
October 1, 1997:	Plan amended to provide Unreduced Rule of 85 Retirement.
October 1, 1999:	Joint and Survivor factors were increased and now reflect a simplified formula
January 1, 2002:	One-time IAP rollover allowed for all non-retired participants. Future rollovers at retirement will no longer be allowed.
January 1, 2003:	Eligibility requirements for Disability Pension amended to require receipt of a Social Security Disability award.

Other Developments (continued):

Date	Event
May 15, 2003:	Date of most recent favorable determination letter from the IRS.
January 15, 2008:	Board adopts the Segal interest rate method and the market value of assets for determining withdrawal liability.
March 4, 2008:	For collective bargaining agreements effective on or after March 4, 2008, the $700 per month cap on contribution rates was eliminated.
March 28, 2008:	Plan certified as being in "Critical" status under PPA '06. A Rehabilitation Plan was adopted that include supplemental off-benefit contributions beginning January 1, 2013 and the following benefit reductions: ➤ Early retirement and joint and survivor adjustment factors will be based on the plan's actuarial equivalence basis. ➤ The "Rule of 85" unreduced early retirement benefit will no longer be available. ➤ The Plan's disability benefit will no longer be available to new applicants. ➤ The 36-payment pre-retirement death benefit is eliminated. ➤ Payment forms, except for a life annuity or automatic joint and 50% survivor annuity, will no longer be available to new retirees.
March 5, 2009:	Board elects under WRERA to freeze 2009 plan status under PPA'06 and to extend Rehabilitation Period by three years.
February 1, 2011:	The commencement of the Vested Benefit (for inactive vested participants) prior to Normal Retirement Age was eliminated.
March 8, 2011:	Board adopts resolution to forestall plan insolvency under the Rehabilitation Plan. Board adopts simplified method under PBGC Technical Update 10-3 for determining withdrawal liability.
March 6, 2012:	Board elects to reduce annual supplemental off-benefit contribution under Rehabilitation Plan from 12.5% to 5.0%.

EIN 94-1133245/ PN 001

June 15, 2012

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that The Segal Company ("Segal") has prepared an actuarial valuation of the Automotive Industries Pension Plan as of January 1, 2012 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on draft information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. The Segal Company does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached Exhibit VII.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in Exhibit I. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

Paul C. Poon

Paul C. Poon, ASA, MAAA
Associate Actuary
Enrolled Actuary No. 11-06069

EIN 94-1133245/ PN 001

Certificate Contents

EXHIBIT I	Summary of Actuarial Valuation Results
EXHIBIT II	Information on Plan Status
EXHIBIT III	Schedule of Active Participant Data
EXHIBIT IV	Funding Standard Account
EXHIBIT V	Current Liability
EXHIBIT VI	Actuarial Present Value of Accumulated Plan Benefits
EXHIBIT VII	Statement of Actuarial Assumptions/Methods
EXHIBIT VIII	Summary of Plan Provisions

EIN 94-1133245/ PN 001

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us by the Plan Administrator:			
1	Pensioners as of the valuation date (including 2,314 beneficiaries in pay status and 57 pensioners in suspended status)		11,402
2	Participants inactive during year ended December 31, 2011 with vested rights (including 2 participants with unknown age)		10,749
3	Participants active during the year ended December 31, 2011 (including 14 participants with unknown age)		4,180
	Fully vested	3,371	
	Not vested	809	
The actuarial factors as of the valuation date are as follows:			
1	Normal cost, including administrative expenses(1)(2)		$6,660,948
2	Actuarial present value of projected benefits		2,018,648,552
3	Present value of future normal costs		22,576,556
4	Actuarial accrued liability(1)		1,996,071,996
	Pensioners and beneficiaries	$1,241,878,069	
	Inactive participants with vested rights	455,366,340	
	Active participants	298,827,587	
5	Actuarial value of assets ($1,162,980,990 at market value as reported by Lindquist LLP)		1,163,639,416
6	Unfunded actuarial accrued liability		$832,432,580

(1) *Effective July 1, 2012, a plan amendment will be recognized that reduces the plan's actuarial liability by $24,517,100. The normal cost shown reflects the 6 months the plan amendment is in effect during the 2012 plan year. The reduction in liability is attributed to plan particpants who become subject to the Rehabiliation Plan schedule in 2012.*

(2) *Estimated based on expected contributions. Actual normal cost will be based on actual contributions.*

EIN 94-1133245/ PN 001

EXHIBIT II

Information on Plan Status as of January 1, 2012

1	Plan status (as certified on March 30, 2012, for the 2012 zone certification)	***Critical***
2	Scheduled progress (as certified on March 30, 2012, for 2012 zone certification)	***No***
3	Actuarial value of assets for Funding Standard Account	$1,163,639,416
4	Accrued liability under unit credit cost method	1,963,150,821
5	Funded percentage for monitoring plan's status	59.3%
6	Reduction in actuarial accrued liability resulting from the reduction in adjustable benefits	23,673,935

EIN 94-1133245/ PN 001

EXHIBIT III

Schedule of Active Participant Data
(Schedule MB, line 8b)

The participant data is for the year ended December 31, 2011.

		Years of Credited Service								
Age	**Total**	**1-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 20	4	4	- -	- -	- -	- -	- -	- -	- -	- -
20 - 24	135	116	19	- -	- -	- -	- -	- -	- -	- -
25 - 29	307	170	132	5	- -	- -	- -	- -	- -	- -
30 - 34	415	133	180	97	5	- -	- -	- -	- -	- -
35 - 39	463	92	176	144	49	2	- -	- -	- -	- -
40 - 44	553	88	157	173	86	46	3	- -	- -	- -
45 - 49	730	84	164	186	110	120	65	1	- -	- -
50 - 54	737	53	114	160	110	129	109	59	3	- -
55 - 59	528	41	72	91	87	107	70	41	19	- -
60 - 64	253	12	34	54	41	40	39	14	10	9
65 - 69	39	2	7	10	6	3	4	2	1	4
70 & over	2	- -	- -	1	1	- -	- -	- -	- -	- -
Unknown	14	14	- -	- -	- -	- -	- -	- -	- -	- -
Total	4,180	809	1,055	921	495	447	290	117	33	13

EIN 94-1133245/ PN 001

EXHIBIT IV

Funding Standard Account

The table below presents the Funding Standard Account for the Plan Year ending December 31, 2012.

	Charges			Credits	
1	Prior year funding deficiency	$16,900,461	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	$6,660,948	7	Amortization credits	1,274,828
3	Amortization charges	118,013,153	8	Interest on (5) and (6)	46,213
4	Interest on (1) and (2)	10,264,156	9	Full-funding limitation credit	0
5	Total charges	$151,838,718	10	Total credits	$1,321,041
Minimum contribution with interest required to avoid a funding deficiency: (5) – (10), not less than zero					$150,517,677

EXHIBIT IV (continued)

Funding Standard Account

Determination of Full-Funding Limitation Credit

(A) ERISA Full-Funding Limit			(B) Current Liability Override		
1	Projected entry age normal accrued liability	$1,979,294,239	1	90% of projected current liability	$2,590,582,976
2	Lesser of projected market and actuarial values of assets	1,105,129,455	2	Projected actuarial value of assets	1,105,715,040
3	Credit balance, with interest to December 31, 2012	0	3	Credit balance, with interest to December 31, 2012	N/A
4	ERISA FFL: (1) – (2) + (3), not less than zero	874,164,784	4	Current Liability override: (1) – (2), not less than zero	1,484,867,936
5	Minimum required contribution for the year, disregarding the credit balance and any interest on the credit balance				$150,517,677
6	ERISA full-funding limitation credit: (5) – [greater of 4(A) and 4(B)], not less than zero				0

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases (Charges) (Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined Base	01/01/2012	$114,011,758	8.82	$777,055,323
Plan Amendment	01/01/2012	71,720	15	689,651
Experience Loss	01/01/2012	3,929,675	15	37,787,145
Total		$118,013,153		$815,532,119

Note: Charge and credit bases as of December 31, 2011 have been combined and offset in accordance with IRC Section 431(a)(5) and related regulations.

EIN 94-1133245/ PN 001

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases (Credits) (Schedule MB, line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan Amendment	07/01/2012	$1,274,828	(1)	(1)
Total		$1,274,828		0

(1) *Effective July 1, 2012, a plan amendment will be recognized that reduces the plan's actuarial liability by $24,517,100. The 15-year amortization payment for this amendment is $2,549,656. For the 2012 plan year, ½ of the amortization amount, or $1,274,828, was recognized in the Funding Standard Account.*

Note: Charge and credit bases as of December 31, 2011 have been combined and offset in accordance with IRC Section 431(a)(5) and related regulations.

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases (Charges) (Schedule MB, line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined Base	01/01/2006	$113,381,179	7.05	$653,261,079
Plan Amendment	01/01/2007	155,160	25	1,896,360
Experience Loss	01/01/2007	2,076,405	10	15,461,961
Change in Assumptions	01/01/2007	10,083,400	25	123,238,886
Experience Loss	01/01/2009	30,691,013	12	257,994,192
Experience Loss	01/01/2010	949,864	13	8,394,836
Plan Amendment	01/01/2011	1,119,912	14	10,348,545
Experience Loss	01/01/2011	3,867,648	14	35,738,978
Plan Amendment	01/01/2012	71,720	15	689,651
Experience Loss	01/01/2012	3,929,675	15	37,787,145
Total		$166,325,976		$1,144,811,633

As noted, bases were combined and offset as of December 31, 2011. This exhibit shows the charge bases prior to the change.

EXHIBIT IV (continued)

Funding Standard Account

Schedule of Funding Standard Account Bases (Credits)
(Schedule MB, line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Combined Base	01/01/2006	$83,230,379	1.43	$117,266,809
Plan Amendment	01/01/2008	151,217	11	1,201,140
Experience Gain	01/01/2008	2,100,314	11	16,683,060
Plan Amendment	07/01/2008	13,102,810	11.5	107,164,022
Plan Amendment	01/01/2009	1,952,427	12	16,412,454
Plan Amendment	07/01/2009	1,540,136	12.5	13,284,955
Plan Amendment	01/01/2010	121	13	1,073
Plan Amendment	07/01/2010	3,411,757	13.5	30,851,611
Plan Amendment	07/01/2011	2,800,670	14.5	26,414,390
Plan Amendment	07/01/2012	1,274,828	(1)	(1)
Total		$109,564,659		$329,279,514

As noted, bases were combined and offset as of December 31, 2011. This exhibit shows the credit bases prior to the change.

(1) *Effective July 1, 2012, a plan amendment will be recognized that reduces the plan's actuarial liability by $24,517,100. The 15-year amortization payment for this amendment is $2,549,656. For the 2012 plan year, ½ of the amortization amount, or $1,274,828, was recognized in the Funding Standard Account.*

EXHIBIT IV (continued)

Funding Standard Account

Balancing Equation

1	Net outstanding balance of bases	$815,532,119
2	Credit balance/(Funding deficiency)	-16,900,461
3	Unfunded actuarial accrued liability: (1) - (2)	$832,432,580

EIN 94-1133245/ PN 001

EXHIBIT V
Current Liability

The table below presents the current liability for the Plan Year beginning January 1, 2012.

Item		Amount[1]
1. Retired participants and beneficiaries receiving payments		$1,621,675,134
2. Inactive vested participants		803,999,851
3. Active participants		
a. Non-vested	$25,790,208	
b. Vested	427,848,171	
c. Total active		453,638,379
4. Total		$2,879,313,364
Expected increase in current liability due to benefits accruing during the plan year		$12,265,301
Expected release from current liability for the plan year		134,320,681
Expected plan disbursements for the plan year, including administrative expenses of $3,000,000		137,320,681
Current value of assets		1,162,980,990
Percentage funded for Schedule MB		40.39%

Note: The actuarial assumptions used to calculate these values are shown in Exhibit VII.

(1) *Does not reflect plan amendment, effective July 1, 2012, that reduces the current liability by $35,606,995.*

SEGAL

EIN 94-1133245/ PN 001

EXHIBIT VI
Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is shown below as of January 1, 2012 and as of January 1, 2011.

	Benefit Information Date	
	January 1, 2012	**January 1, 2011**
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	$1,241,878,069	$1,215,388,704
Other vested benefits	711,314,776	742,791,048
Total vested benefits	$1,953,192,845	$1,958,179,752
Actuarial present value of non-vested accumulated plan benefits	9,957,976	18,189,048
Total actuarial present value of accumulated plan benefits	$1,963,150,821	$1,976,368,800

EXHIBIT VI (continued)

Actuarial Present Value of Accumulated Plan Benefits

The factors that affected the change in the actuarial present value of accumulated plan benefits from the preceding to the current benefit information date are as follows:

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Plan amendments	-$25,106,677
Benefits accumulated, net experience gain or loss, changes in data	4,586,920
Benefits paid	-130,349,668
Interest	137,651,446
Total	-$13,217,979

Note: Does not include the plan amendment effective July 1, 2012. This amendment would reduce the actuarial present value of accumulated plan benefits by $22,600,821.

EXHIBIT VII

**Statement of Actuarial Assumptions/Methods
(Schedule MB, line 6)**

Mortality Rates:

Healthy: RP-2000 Combined Healthy Mortality Tables, set back 1 year

Disabled: RP-2000 Combined Healthy Mortality Tables, set forward 5 years.

The above tables were determined to contain provision appropriate to reasonably reflect future mortality improvement, based on a review of mortality experience as of the measurement date.

Termination Rates before Retirement:

	Rate (%)			
	Mortality			
Age	Male	Female	Disability	Withdrawal*
20	0.03	0.02	0.05	21.20
25	0.04	0.02	0.06	15.80
30	0.04	0.02	0.08	11.60
35	0.07	0.04	0.11	8.40
40	0.10	0.06	0.17	6.20
45	0.14	0.10	0.27	4.20
50	0.20	0.16	0.45	2.60
55	0.32	0.24	0.76	1.00
60	0.59	0.44	1.22	0.00

* *Withdrawal rates under age 55 are increased by 6 percentage points for the first 5 years of service. Withdrawal rate are zero once retirement rates apply.*

Retirement Rates:

Non-Service Pensions		Rule of 85 Pensions	
Age	**Retirement Rates**	**Age**	**Retirement Rates**
55 – 60	5%	53	10%
61	15	54	35
62	35	55-58	15
63	25	59	25
64	25	60-61	20
65	50		
66	30		
67	100		

Description of Weighted Average Retirement Age: Age 61.3, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential retirement age times the retirement rate at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages, based on all the active participants included in this actuarial valuation.

Retirement Age for Inactive Vested Participants: Age 65 for those with unsubsidized early retirement benefits. Age 62 for all others.

Future Benefit Accruals: Work-year of 11.2 months of contributions per active employee.

Unknown Data for Participants: Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Definition of Active Participants: Active participants are defined as those with at least five months in the most recent Plan Year, excluding those who have retired as of the valuation date.

Exclusion of Inactive Vesteds: Inactive participants over age 70 excluded from the valuation.

Percent Married: 85%

EIN 94-1133245/ PN 001

Age of Spouse:	Females 4 years younger than males.
Benefit Election:	All non-retired participants subject to the rehabilitation plan benefit reductions are assumed to elect the Life Option (without the 36-month guaranteed). For all other non-retired participants, 50% are assumed to elect the 100% Joint and Survivor annuity (with pop-up) and the other 50% are assumed to elect the Life Option with 36-month guaranteed.
Net Investment Return:	7.25%
Annual Administrative Expenses:	$3,000,000, payable monthly (equivalent to $2,888,977 payable at the beginning of the year).
Actuarial Value of Assets:	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the current age minus Credited Service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rates have always been in place. Normal Cost is adjusted by the ratio of the actual contributions credited for benefit accruals received during the plan year to the expected contribution. For 2012, the expected contributions are $19,205,407.
Benefits Valued:	Unless otherwise indicated, includes all benefits summarized in Exhibit VIII.
Current Liability Assumptions:	
Interest	4.29%
Mortality	Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1, using the static tables with separate tables for annuitants and nonannuitants (RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants)

EIN 94-1133245/ PN 001

Justification for Change in Actuarial Assumptions (Schedule MB, line 11):	Based on statutory requirements, the following actuarial assumptions were changed: For purposes of determining current liability, the current liability interest rate was changed due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 431(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.
Estimated Rate of Investment Return:	
On actuarial value of assets (Schedule MB, line 6g):	3.6%, for the Plan Year ending December 31, 2011
On current (market) value of assets (Schedule MB, line 6h):	0.4%, for the Plan Year ending December 31, 2011
Funding Standard Account Contribution Timing (Schedule MB, line 3):	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a July 1st contribution date.

EXHIBIT VIII

Summary of Plan Provisions
(Schedule MB, line 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	January 1 through December 31
Pension Credit Year:	January 1 through December 31
Plan Status:	Ongoing plan

Normal Pension:

Age and Service requirements	65 and 5 years of Credited Service (including 24 months of Future Service).
Amount	The monthly amount is the sum of (a), (b), (c), (d) and (e). a. $10.00 for each year of Past Service. b. $5.00 for each $100 of the contributions made on the participant's behalf from his Contribution Date through June 30, 2003. c. $3.00 for each $100 of the contributions made on the participant's behalf from July 1, 2003 through December 31, 2004. d. 0.5% for the first $250 of monthly contributions, 1.0% for the next $250 of monthly contributions, and 2.0% of monthly contributions in excess of $500 made on the participant’s behalf on or after January 1, 2005. e. 1.0% of monthly contributions made on the participant’s behalf on or after July 1, 2008.

Early Retirement Pension:	
Age and Service requirements	55 and 60 months of Credited Future Service.
Amount	Accrued Normal Pension amount to which the participant would be entitled, reduced by 1/4 of 1% for each month that the retiring employee is younger than 62 (no reduction is applied between ages 62 and 65 for the Unreduced Early Pension, or if participants age and service total at least 85 for the Unreduced Rule of 85 Pension). For participants subject to the Rehabilitation Plan benefit reductions, all Early Retirement Pensions are reduced from age 65, using the plan’s actuarial equivalence basis.
Disability Pension:	
Age and Service requirements	Any age and 5 years of Credited Service (including 24 months of Future Service).
Other requirements	Eligible for a Social Security disability benefit.
Amount	Accrued Normal Pension amount to which the participant would be entitled (on his date of disability) without any reduction. For participants subject to the Rehabilitation Plan benefit reductions, the Disability Pension is not available and those who become disabled are eligible only for the Vested Benefit described below.
Vested Benefit:	
Age and Service requirements	Any age and 5 years of Credited Service (including 24 months of Future Service).
Amount	Accrued Normal Pension amount (using the benefit formula at the time of retirement), payable commencing at Normal Retirement Age, or, if available, (on a reduced basis) as early as age 55. This benefit cannot be paid prior to Normal Retirement Age to current inactive vested participants and to active participants subject to the Rehabilitation Plan benefit reductions.
Normal Retirement Age	The later of age 65 and the fifth anniversary of participation.
Spouse's Benefit:	
Age and Service requirements	Any age and 5 years of Credited Service (including 24 months of Future Service).
Amount	50% of the benefit that the participant would have received had he or she retired the day before death on a Joint and Survivor Annuity. If the participant was younger than 55 at the time of death, payments will be deferred to the date when the participant would have attained that age.

Pre-Retirement Death Benefit:	
Age and Service requirements	Any age and 5 years of Credited Service (including 24 months of Future Service).
Amount	Return of the total contributions made on account of the participant's employment or, if greater, the participant's unreduced pension at time of death payable for 36 months. This benefit is not payable if benefits are due under the Spouse's Benefit or for participants subject to the Rehabilitation Plan benefit reductions.
Joint and Survivor Annuity:	All retirements are paid in the form of a 50% joint and survivor annuity unless this form is rejected by the participant and spouse. The benefit amount otherwise payable is reduced to reflect the joint and survivor coverage. If the spouse predeceases the participant, the benefit "pops-up" to the amount is payable before the reduction. If this type of pension is rejected, benefits are payable for the life of the participant without reduction (with a minimum guarantee of 36 monthly payments) or in any other available optional form elected by the participant. For participants subject to the Rehabilitation Plan benefit reductions, the "pop-up" feature and the 36-month guarantee are not available, and the joint and survivor reduction factors are based on the plan's actuarial equivalence basis.
Optional Forms of Benefit Payment:	➤ 50% Joint and Survivor Option ("QJSA") ➤ 75% Joint and Survivor Option ("QOSA") ➤ Life with 36-Month Guarantee Option ➤ Life with 120-Month Guarantee Option ➤ Full 100% Joint and Survivor Option Aside from a life only annuity, QJSA and QOSA, these options are not available for participants subject to the Rehabilitation Plan benefit reductions.

EIN 94-1133245/ PN 001

Credited Service Schedule:	Commencing January 1, 1976 a year of Future Service is credited during any Plan Year in which the participant completes at least 5 months of covered service. (No fractional credit is granted.) Prior to January 1, 1976, Future Service was granted at the rate of one-twelfth of a year for each month of contribution payments. Past Service is credited for service prior to the Contribution Date up to a maximum of 20 years for members who became participants prior to January 1, 1975 and 10 years for members who entered the Plan after January 1, 1975. For participants who joined the Plan after 1978, the amount of Credited Past Service can not exceed the Credited Future Service earned under the Plan.
Break-in-Service Rules:	
One-Year Break	A participant incurs a One-Year Break in Service if he or she fails to complete five months of service or 501 hours of service in a Plan Year.
Permanent Break	A non-vested participant incurs a Permanent Break in Service if the number of consecutive One-Year Breaks in Service is at least 5 and it equals or exceeds the number of years of Credited Service which the employee had previously accumulated. At this time, the non-vested portion of the participant's service and benefits accrued are canceled.
Participation Rule:	An employee becomes a "Participant" the first day of the first month for which an employer contribution was made.
Contribution Rate:	The average contribution rate on January 1, 2012 was $399.53 per month.

Plan Amendments:	The level of benefits payable is directly proportional to the negotiated contribution rate recognized for benefit accruals; any change in this rate for continuing active employees results in an automatic benefit change and, therefore, in a plan amendment. The Trustees implemented a Rehabilitation Plan that reduced Plan benefits as described in this Exhibit. These benefits become effective for active participants as new collective bargaining agreements ("CBAs") are negotiated. Benefit reductions for members whose CBAs were negotiated through 2012 are recognized in this valuation.