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August 28, 2008

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

U.S. Department of Labor
Employee Benefits Security Administration
Public Disclosure Room, N-1513
200 Constitution Ave., NW
Washington, DC 20210

Re: Notice of Critical Status for Chicago Foundry Workers' Pension Plan (EIN 36-6115256/ PN001)

Dear Sir or Madam:

As required by Internal Revenue Code Section 432(b)(3)(D)(i), this is to inform you that the above referenced plan has been certified by the plan actuary to be in critical status as defined in Code Section 432(b)(2) for the plan year beginning May 1, 2008. The date of the certification is July 29, 2008. A copy of the Notice provided to participants, participating employers, local unions, retirees and beneficiaries is enclosed.

Please let us know if you have any questions.

Sincerely,

Chuck Wolf

Charles B. Wolf

CBW/hr
Enclosure

Chicago Foundry Workers' Pension Plan
Notice of Plan Status

August 28, 2008

Participants, Beneficiaries, Participating Unions, and Contributing Employers:

The Pension Protection Act (PPA or Act), signed into law in 2006, is intended to improve the financial condition of pension plans by implementing several safeguards. In addition, the Act contains notification requirements to share more information about a plan's "financial health" with participants and others directly related to the Plan.

Please note that PPA requires that our Plan's funding status be reviewed and certified annually and notices like this one will be sent each year. There are several variables outside our control, which our advisors monitor yearly, including market volatility and changes in participation and/or the number of contributing employers. These variables could affect the Plan's status and the Trustees' recommended corrective actions in the future.

Many of the Act's safeguard provisions relate to funding, which, in simplest terms, is how much a plan has coming in, going out, and in reserve (or "in the bank") for the future. The safeguards are intended to create more discipline to prevent and correct avoidable funding problems.

Starting with the 2008 plan year, the Act requires that the Pension Plan be tested annually to determine how well it is funded. Benchmarks for measuring a plan's funding, with formal labels, were established. Plans that are in the yellow ("seriously endangered" or "endangered") or red ("critical") zones must notify all Plan participants, beneficiaries, unions, and contributing employers of the Plan's status, as well as take corrective action to restore the Plan's financial health.

In recent years, steps have been taken to bring the Plan's expense liabilities into balance with its assets. This has been done through a combination of benefit changes and increases in contributions from contributing employers. While these actions are expected to improve the financial balance over time, there is currently a shortfall that must be resolved for the Plan to comply with the Act's requirements.

Plan's Status – Red Zone

On July 29, 2008, the Pension Fund's actuary certified to the U.S. Department of the Treasury and the Trustees that the Plan is in the red "critical" zone for the Plan year beginning May 1, 2008. This is based on the actuary's determination that the Pension Plan is projected to have a funding deficiency in Plan Years beginning on and after May 1, 2011. This means that contributions are not expected to be high enough to meet government standards for funding the promised benefits. This does not mean that the Plan can't pay benefits to current pensioners and beneficiaries. In fact, as of May 1, 2007, the Plan has assets that were more than eight times the benefits it paid in 2006.

Rehabilitation Plan

The Act requires that a plan in the red "critical" zone adopt a Rehabilitation Plan that will enable the plan to improve its funded position to meet statutory funding requirements over time. To comply with the Act, the Plan Sponsor will adopt a Rehabilitation Plan before March 26, 2009. Employers and unions will be notified of the items that will need to be covered in new or renewed collective bargaining agreements after the Rehabilitation Plan is adopted. Until the Rehabilitation Plan is implemented, benefits and contributions will be governed by the existing collective bargaining agreements and there will not be any changes in benefits or contributions (except for the surcharges discussed on the next page).

The Act allows a Rehabilitation Plan to eliminate or change adjustable benefits, which include:

- Plan benefits, rights, and provisions, including pre-retirement death benefits (other than qualified joint and survivor annuities), disability benefits not yet in pay status, and similar benefits; and
- Early retirement benefit or retirement-type subsidies.

Any reductions will apply only to participants and beneficiaries whose benefit commencement date is after July 29, 2008. Benefits for pensioners and beneficiaries who are receiving benefits on July 29, 2008 will not be affected.

Employer Surcharge

The law requires that all contributing employers pay a contribution surcharge to the Plan to help correct the Plan's financial situation. The amount of the surcharge for the remainder of the 2008 Plan year (until April 30, 2009) is 5% of the amount employers are otherwise required to contribute to the Plan under the applicable collective bargaining agreement. This contribution surcharge applies to all contributions due and payable to the Plan on or after September 27, 2008. For contributions due beginning May 1, 2009, the contribution surcharge will increase to 10% of the negotiated contribution rate. These contribution surcharges will end when an employer begins contributing under a collective bargaining agreement that implements the Rehabilitation Plan.

What's Next

We understand that legally required notices like this one can create concern about the Plan's future. While the red "critical" zone label is required to be used by law, the Plan will continue to pay benefits now and we are working with our actuaries and consultants to monitor the Plan's condition and address Plan issues. However, since the Pension Plan is influenced by economic and financial variables outside our control, unexpected developments can affect the Plan's status and any future corrective actions needed.

While no benefit changes are being made at this time, once the Rehabilitation Plan is adopted, the Rehabilitation Plan and any benefit, contribution, or other Plan provision changes will be communicated to all affected individuals and parties before any changes are made. **As previously noted, no benefit changes will be included in the Rehabilitation Plan for any retiree or beneficiary receiving benefits on July 29, 2008.**

For more information about this notice or the Pension Plan in general, contact the Pension Plan Office at the address or phone number listed at the top of this letter.

Sincerely,
Board of Trustees

As required by law, this notice is being provided to the Pension Benefit Guaranty Corporation (PBGC) and the Department of Labor.

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