

Western States 401k Retirement Fund of the OPEIU

IMPORTANT ANNOUNCEMENT

June 15, 2011

TO: Participants of the Western States 401(K) Retirement Fund of the OPEIU
FROM: The Trustees of the Western States 401(k) Retirement Fund of the OPEIU
RE: Capital Consultants, LLC.

Dear Plan Participant:

Those of you who have been participants in the 401(k) Plan for some time will recall the matter of Capital Consultants, LLC. This was an investment manager to the Plan that was discovered to have been operating a fraudulent investment scheme – essentially a Ponzi scheme.

In 2000, the federal government shut Capital Consultants down and appointed a receiver to assemble the assets belonging to the Company and its principals for distribution to harmed customers. The receiver also pursued court actions against many of the Company's advisors who participated in the fraud or did not adequately protect the Company's customers from it. The Plan also received a payment from the Plan's own insurance company and the Trustees' further pursued court actions against several of the Plan's own advisors. **Through those combined efforts approximately \$6,811,279.38 was recovered for the 401(k) Plan.** The value of losses was calculated several different ways by the court and others during these activities. **The recovery represents roughly 75% to 94% of the losses, depending on the loss calculation used.**

If you were a participant in the Plan at that time, you know that your quarterly New York Life account statements have continued to show entries for the Capital Consultants investment funds. The Trustees have kept those entries on the books in order to be able to properly allocate recoveries made to participant accounts. All of the recovery amounts have been allocated proportionately to participant accounts and the Trustees do not anticipate that additional amounts will be recovered.

For that reason, there is no longer any reason to keep the Capital Consultants entries on the quarterly statements. The Board of Trustees has, therefore, resolved to remove the entries. The March 31, 2011 was the final quarterly statement to reflect activity in the Capital Consultants investment funds. A line item titled "Capital Consultants Writeoff" will show the Capital Consultants investment funds being drawn down to zero. Going forward, the Capital Consultants investment funds will no longer appear on any statements.

Although the Trustees do not anticipate that additional amounts will be recovered, in the event money is later received from the CCI litigation, should the Trustees decided to allocate that money to the individual participant accounts, the CCI funds will be reinstated and the funds deposited and distributed appropriately.

If you currently have a balance remaining in your account that is eligible for withdrawal and you are interested in doing so, please contact New York Life at 800/294-3575 to request a Distribution Request Form. You may also request a form via their website at mylife.newyorklife.com.

Should you have any questions regarding this matter, please contact the Trust Office at 503/224-0048 or 800/547-4457, extension 1677.