

5911 Airport Road



Oriskany, NY 13424

# District Union Local One

UNITED FOOD & COMMERCIAL WORKERS  
*Benefit Funds*

Frank C. DeRiso  
*Chairman, Board of Trustees*  
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*Funds Administrative Director*

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## Memorandum

TO: UNION REP/ORGANIZERS SERVICING  
THE PENN TRAFFIC STORES

FROM: ANDREA GOLDBERGER *AG*  
*FUNDS ADMINISTRATIVE DIRECTOR*

DATE: JANUARY 15, 2010

RE: THE PENN TRAFFIC EMPLOYEE'S 401k SAVINGS PLAN

c: F. DeRiso, E. Glathar, A. Vellake, D. Eliason, B. Boehlert, K. Owen

The Fund Office has received many phone calls regarding the Penn Traffic employee's 401k Plan and whether or not their current 401k accounts can be rolled over to the UFCW Local One 401k Plan. Penn Traffic terminated their 401k Plan effective December 31, 2009 and employee deferrals are no longer being deducted and remitted to the Penn Traffic Plan, however, loan payments will continue to be deducted and remitted to the Plan. Attached is a copy of a letter sent by the Company to all Penn Traffic 401k Plan participants.

As you are probably aware, the Collective Bargaining Agreements between Local One and both companies, Penn Traffic and Tops, contain participation language for the Local One 401k Plan. Should the sale of Penn Traffic stores to Tops occur as is anticipated, Penn Traffic employees will be able to continue 401k participation through the Local One Plan.

Over the coming weeks, the Fund Office will be working with Penn Traffic and Fidelity to implement a Plan-to-Plan transfer of UFCW member accounts from the Penn Traffic Plan to the Local One Plan. This will maintain the integrity of the accounts as retirement savings, will streamline the rollover process for participants and continue loan payments without interruption.

At this time, it is anticipated that the actual transfer will take place in March or April 2010. When speaking with Penn Traffic members, please assure them that Local One, the Fund Office and Penn Traffic are diligently working on this with their best interests in mind.

Should they have questions, please feel free to have them call the Fund Office.

ADG:jp  
Attachment

visit our website at  
[www.ufcwone.org](http://www.ufcwone.org)



January 8, 2010

Dear Participant in The Penn Traffic Company 401(k) Savings Plan:

This notice is to advise you that The Penn Traffic Company (the "Company") amended **The Penn Traffic Company 401(k) Savings Plan** (the "Plan") to terminate the Plan effective December 31, 2009. The termination of the Plan means that no additional employee or Company contributions will be made to the Plan after December 31, 2009. However, if you currently have a Plan loan and have loan repayments deducted from your paycheck, loan payments will continue to be deducted and sent to the Plan.

Upon the Plan's termination, participants who were actively employed by the Company on December 31, 2009 became 100% fully-vested in the profit sharing account portion of their benefit under the Plan, if any. You were, and remain, fully-vested in all of your other accounts under the Plan (e.g., employee contributions).

In the upcoming months, you will receive distribution materials from Fidelity, the Plan's recordkeeper, regarding the distribution of your benefits from the Plan. At that time you will need to make a choice about how you would like to receive the distribution of your Plan benefits - in a lump sum check made payable to you, a rollover distribution made payable to an individual retirement account or another employer's qualified retirement plan, or a combination of these options.

We regret the need to terminate the Plan at this time. However, in the best interests of all Plan participants, the most prudent and appropriate course of action was to terminate the Plan and begin the process to distribute the Plan's assets.

If you have any questions regarding this information or the termination process, please contact The Penn Traffic Benefits Department at 1-800-275-9005 or Fidelity at 1-800-835-5095.