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October 28, 2009

RE: 2009 Retirement Plan Required Amendments **Due 12-31-09**

Dear Client:

Pension Protection Act & Related Required Plan Amendments

We are writing to alert you that the Pension Protection Act of 2006, passed by Congress, requires the new laws' provisions be adopted by all retirement plans no later than their 2009 year end.¹ This means that all qualified retirement plans, including yours, must adopt the new law changes no later than the last day of your 2009 plan year. If your plan year is a calendar year that would mean December 31, 2009. If your plan year is a fiscal year that would align with your company's fiscal year end.

The Pension Protection Act of 2006, was a watershed change in pension and retirement plan laws; most of which were positive and helpful (e.g. such as raising the contribution limits to plans). From a practical standpoint, the PPA and the additional laws referenced in the footnote, have been applied to your plan since their enactment. However, those changes must now finally be documented in a legal amendment to your retirement plan documents (called a "Good Faith Amendment"). Congress established 2009 as the deadline for legally documenting the amendments in your plan (Required by Section 1107 of the Pension Protection Act.)

Although complex in nature, the Amendment will be simple for you to implement once drafted. Our pension tax attorneys and pension actuary will prepare the legal amendment which is approximately thirty (30) pages of legal provisions for your retirement plan. All that will be required of you is to review the amendment, sign it and keep it with your pension plan legal documents.

¹ The PPA Amendment includes various law changes to include: 1) Pension Protection Act of 2006; 2) Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act); 3) certain Pension Funding Equity Act provisions; 4) certain Worker, Retiree, and Employer Recovery Act of 2008 provisions.

SAN DIEGO · IRVINE · SEATTLE

Failure to adopt the Pension Protection Act Amendment to your plan by the required due date, will result in the plan's losing its tax qualified status. This will trigger negative income taxes, interest and penalties. Although the adoption of the amendment is a legal requirement to continued qualification of your plan, we wanted to alert you of the requirement prior to engaging in the service for you and advise you of our fees for doing so. As a tax law firm which specializes in pension plans, we have numerous plans we represent which will allow us to gain some efficiency in the process of preparing the amendments for clients. Thus, we are establishing a flat or fixed rate fee of \$395.00 for the project.

We will prepare the Pension Protection Act Amendments in the month of December 2009 in one orchestrated event to gain efficiency to allow for the low fixed fee. Those Pension Plan Amendments will be forwarded to you for review, adoption and signature in the month of December 2009. Our tax attorneys and pension actuary will take care of the preparation of your plan's Pension Protection Act Amendment and will be available to address your questions regarding the amendment or the process.

For those plans that have a fiscal year end falling after December 31, 2009, you will have until your year end to adopt the Pension Plan Amendment. However, our December project period rate of \$395 will be increased to \$495 after December 31, 2009, to account for the extra time involved in handling those plan amendments on an individual basis.

Normal Retirement Age Plan Amendment

In addition to the Congressionally mandated changes above, the IRS has also issued new Regulations that must be adopted by your plan related to the "Normal Retirement Age." In IRS Notice 2007-69, they required that covered plans with plan years ending June 30, 2009, or after be amended to change the "Normal Retirement Age" (NRA) to 62 years of age. If you retire earlier than the NRA of 62, you are still entitled to retirement distributions from your plan as before. Essentially this change is to preclude a plan from paying out retirement benefits at an age (e.g. 55 years) prior to age 62 years if the participant is still continuing to work.

This amendment must be adopted by covered plans by the due date of the tax return, including extensions. To be conservative this would mean March 15, 2010, for most plans. The amendment will consist of an employer's Adopting Resolution and Summary of Material Modifications which reflect the NRA at age 62 for you plan.

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If you authorize the PPA Amendments prior to the end of December 2009, we intend on including the NRA Amendment with your package of PPA Amendments at no additional charge to you. If we handle this individually outside of our December project period, we will charge \$150 for the NRA Amendment package due to the extra time involved.

Conclusion & Required Authorization

We will not proceed with your Pension Protection Act Plan Amendment without your approval, but recall the December 31, 2009 deadlines are fast approaching and this is a Congressionally mandated law change. For your convenience, you can authorize us to proceed by any one of the following methods:

1. Returning the enclosed Amendment Form via mail, facsimile (858) 657-0248, or e-mail to mduell@waagelaw.com;
2. Signing onto our firm website at www.waagelaw.com (click on "Pension Amendment" on the Home page) and executing the Amendment Form; or
3. Verbal authorization given to our Business Office c/o Michael Duell at 858-657-0246, which will be confirmed by e-mail.

Sincerely,

THE WAAGE LAW FIRM
A PROFESSIONAL CORPORATION



Scott A. Waage
Attorney at Law

Enclosure: Amendment Authorization Form

**PENSION PROTECTION ACT OF 2006
AMENDMENT AUTHORIZATION FORM**

I request that the Waage Law Firm, A Professional Corporation prepare and provide to me the Pension Protection Act Amendment required under Section 1107 of the Internal Revenue Code.

I understand that the Pension Protection Act Amendment is required to be adopted by the last day of my 2009 plan year.

I wish to receive the Pension Protection Act Amendment via:

_____ Regular Mail at my business address
Name: _____
Address: _____
City, State, Zip: _____
E-mail to: _____

I authorize the Waage Law Firm, A Professional Corporation to charge the flat fee of \$395.00 to my checking or credit card account as follows:

Credit Card

Card Type: _____
Card Number: _____
Card Holder Name: _____
Expiration Date: _____
Security Code: _____
Card Address: _____

(* All fields required.)

E-Mail to mduell@waagelaw.com or Fax: 858-657-0248 Attn: Michael Duell

Check

If responding by mail, include actual check.

If responding by e-mail or fax, attach scanned copy of check.

E-mail to mduell@waagelaw.com

Fax: 858-657-0248 Attn: Michael Duell

Mailing Address: The Waage Law Firm, APC
Attn: Michael Duell
9255 Towne Centre Drive, 6th Floor
San Diego, CA 92121

Company

Pension Plan Name
(Defined Benefit Pension Plan or 401K Pension Plan)

Signature

Date

Print Name