O'Sullivan
Associates Inc.

Road Carriers Local 707 Pension Plan

Actuarial Valuation Report
as of 8/31/2013

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April 2014

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1. Certification of Results

This report was prepared on behalf of the Road Carriers Local 707 Pension Plan based on employee data, asset statements and plan documents provided by the Plan Sponsor or its representatives. We relied upon the data as submitted, without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information which would have had a material effect on the results of this valuation was overlooked.

Therefore, to the best of our knowledge and belief, the information presented in this report is complete and accurate, and in our opinion, each assumption used represents our best estimate of anticipated experience under the Plan.

Certified by:

Redacted by the U.S. Department of the Treasury

Craig A. Voelker, FSA, MAAA, EA
Enrolled Actuary No.: 11-05537

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2. Highlights

1. **Long-Term Funding**
   Projected annual contributions of $5.13 million ($3.1504 per hour) plus withdrawal liability payments of $2.30 million ($1.41 per hour) fall short of the total annual cost of benefits of $59.97 million ($36.81 per hour). This leaves a negative margin of $52.54 million or $32.25 per hour. Therefore, the Plan is underfunded and its finances will need adjustment to ultimately fund all benefit promises.

2. **Margin**

   The margin has declined from ($28.12) last year to ($32.25) this year due to a less than expected return on the actuarial value of assets, the effect of the passage of time, and a change in the interest rate assumption from 6.5% to 5.75%. Margin is explained in Section 4 of this report.

3. **Pension Protection Act**

   The Pension Protection Act (PPA) requires plans to use the particular Plan's valuation interest rate (5.75%) to calculate the Funded Percentage. As of August 31, 2013, this percentage is 17.0%. This is below 65% and, together with the negative credit balance as of August 31, 2013, the Plan remains in the critical zone.

   The Trustees have adopted a "reasonable measures" Rehabilitation Plan which is fully detailed in section 4.8 of this report.

4. **Assumption Change**

   We have changed the Plan's interest rate assumption from 6.5% to 5.75% in this valuation.

5. **Reorganization**

   The Plan is in Reorganization Status for the Plan Year ending 8/31/2013, pursuant to IRC §418. See Section 4.9 for additional details.

3. Summary of Key Funding Measures

	As of August 31	
1. Current	2013	2012
Assets		
a at Market	$ 115,338,672	$ 143,812,623
b at Actuarial	$ 114,727,566	$ 152,231,761
c Actuarial / Market (b/a)	99.5%	105.9%
Present Values		
d Vested Benefits	$ 676,209,285	$ 625,008,470
e Accrued Benefits (Accrued Liability)	$ 676,414,928	$ 634,318,582
Funding Percentages		
f Vested at market (a/d)	17.1%	23.0%
g Vested at actuarial (b/d)	17.0%	24.4%
h Accrued at market (a/e)	17.1%	22.7%
i Accrued at actuarial (b/e)	17.0%	24.0%

	For Plan Year Ending August 31	
2. Prospective	2014	2013
Contributions		
a Minimum Required	$ 185,857,068	$ 132,704,022
b Anticipated	$ 5,133,183	$ 5,472,258
c Withdrawal Liability Payments	$ 2,298,929	$ 2,298,929
d Actual Total	TBD	$ 7,975,136
e Maximum Deductible	$ 1,165,506,367	$ 1,098,036,507
f Credit Balance	$ (178,231,066) *	$ (124,493,995)
*Projected		
Costs		
g Cost of benefits earned in year	$ 4,529,194	$ 4,375,432
h Amortization of Unfunded Liability	55,445,446	49,804,389
i Total Cost (g+h)	$ 59,974,640	$ 54,179,821
j Margin w/Wth Pmts(b+c-i)	$ (52,542,528)	$ (46,408,634)
3. Assumptions		
a Interest rate per annum	5.75%	6.50%
b Hours	1,629,375	1,650,000

4. Plan Cost

4.1 Annual Plan Cost and Margin

There are two component costs to funding a pension plan: the cost of benefits earned in the year and the amortization of the unfunded liability. The sum of the two costs expressed in dollars per hour of covered work provides a useful way of expressing the Plan's actuarial cost.

In the context above, margin is the amount, in contributions per hour, by which the anticipated contributions differ from the Plan's projected actuarial cost.

The costs below are calculated consistent with a funding policy of paying off the unfunded liability over 15 years assuming asset returns of 5.75% annually. The margin, found on Line E below, is negative and indicates that the Plan needs an additional $32.25 per hour to pay for all future benefits.

There are many actuarial measures and statistics to measure the state of the Plan's funding. The margin is designed to provide a single simplified statistic for a Trustee to get a sense for the Plan's level of funding. As long as the margin is positive, it is a strong indication that the current benefits are affordable on a long-term basis. If negative, it is an indication that the overall funding may need to be improved before benefits are affordable.

	Per Year	Dollars per Hour	As a % of Contributions
A. Contributions			
1. Anticipated annual contributions	$ 5,133,183	$ 3.15040	100.0%
2. Withdrawal Liability Payments	2,298,929	1.41000	44.8%
3. Total (1 + 2)	$7,432,112	4.56040	144.8%
B. Actuarial Costs			
4. Cost of benefits earned in the year	$ 4,529,194	$2.78	88.2%
5. Amortization of unfunded liability	55,445,446	34.03	1080.2%
6. Total annual costs (1+2)	$ 59,974,640	36.81	1168.4%
C. Margin (A3-B3)	$(52,542,528)	$(32.25)	-1023.6%
D. Years to Full Funding	Does not fund		

4.2 Summary of Contribution Deferral Arrangement (CDA)

	Time Frame
Delinquent Months	3/1/2009 - 06/30/2009
Original CDA Period	7/1/2009 - 12/31/2010
Revised CDA Period	7/1/2009 - 06/01/2011

Restructuring Agreement under the Memorandum of Understanding (MOU):

For most of the Fund's history, the General Freight Rate was the rate paid by the majority of its employers. Effective 7/1/2009, YRC Worldwide (YRC) and the Board of Trustees entered into the CDA as part of the MOU, temporarily suspending YRC's requirement to remit contributions to the Fund. During this suspension, YRC's employees did not earn service for benefits or eligibility.

Initially, the MOU was to expire 12/31/2010. It was later extended to 5/31/2011. Because the Fund is in the Red Zone and its Rehabilitation Period did not start until 9/1/2011, the Fund did not accept the reduced contributions until that date, putting the contributions from 6/1/2011 through 8/31/2011 in escrow. As of 6/1/2011, YRC employees began receiving service for eligibility purposes, and as of 9/1/2011, they began receiving service for the purpose of accruing benefits.

Pursuant to the revised MOU, YRC's hourly contribution rate upon its re-entry into the Fund was at 25% of the rate in effect as of 7/1/2009, or $7.295 x 25% = $1.8238. This rate will remain in effect until 3/31/2015.

4.3 Derivation of Annual Contributions

Plan Year Ending 8/31/2013

	YRCW	Others	Total
A. Actives	663	206	869
B. Avg. hourly contribution rate	$1.8238	$7.420	$3.1504

C. Hours	1,629,375
D. Contribution Rate	$3.1504
E. Contributions	$5,133,183

4.4 Margin Detail

A.	As of	8/31/2013		
	1. Actuarial liability	$676,414,928		
	2. Actuarial value of assets	114,727,566		
	3. Unfunded actuarial liability (1-2)	$561,687,362		
	4. Normal cost	3,094,659		
	5. Expenses	1,300,000		
	6. Total cost of benefits (4+5)	$ 4,394,659		
	7. Amortization of unfunded liability	$ 53,798,501		
B.	Anticipated Contribution Income*			
	1. Number of actives	869		
	2. Projected hours	1,875		As a % of
	3. Projected contribution rate	3.15040	$/Hour	Contributions
	4. Anticipated annual contribution (1x2x3)	$ 5,133,183	$ 3.15040	100.0%
	5. Withdrawal liability payments	2,298,929	1.41000	44.8%
	6. Total annual contributions (4+5)	7,432,112	4.56040	144.8%
C.	Actuarial Costs*			
	1. Cost of benefits earned in the year	$ 4,529,194	$2.78	88.2%
	2. Amortization of unfunded liability	55,445,446	34.03	1080.2%
	3. Total annual costs (1+2)	$ 59,974,640	$36.81	1168.4%
D.	Margin (B6-C3) (at actuarial)	$ (52,542,528)	$(32.25)	-1023.6%
E.	Market value of assets	$ 115,338,672		
F.	Spread Statistic	0.5%		
G.	Margin at market	$ (52,482,204)	$ (32.21)	-1022.4%

* *Assumes contributions and costs are paid at the end of the month.*

4.5 Reconciliation of Margin

		Dollars per Hour
A. Margin as of 8/31/2012		$ (28.13)
B. Effect of:		
1. Contribution rate increases	(0.17)	
2. Change in expected withdrawal payments	0.00	
3. Plan Amendment	0.00	
4. Passage of time	(1.75)	
5. Subtotal		(1.92)
Actuarial Experience:		
6. Subtotal demographic	0.08	
7. Expense experience	0.02	
8. Asset experience	(0.39)	
9. Subtotal actuarial experience		(0.29)
Methods and Assumptions:		
10. Change in employment assumption	0.00	
11. Change in operational expense assumption	0.00	
12. Assumption Changes	(1.91)	
13. Other Demographic Changes	0.00	
14. Subtotal methods and assumptions		(1.91)
C. Sub Total change in Margin		$ (4.12)
D. Margin as of 8/31/2013		$ (32.25)

4.6 Development of Plan Asset Values

4.6.1 Market Value of Assets

	Total Trust
A. Assets at 8/31/2012	$143,812,623
B. Employer contributions	$ 5,676,206
C. Employer Withdrawal Liability Payments	$ 2,298,930
D. Investment income:	
1. Interest and dividends	$2,596,153
2. Realized/unrealized gain/(loss)	9,666,760
3. Investment fees	(725,261)
4. Total investment income	$11,537,652
E. Distributions:	
1. Benefit payments	$(46,898,108)
2. Administrative expenses	(1,088,631)
3. Adjustment for doubtful collections	0
4. Total distributions	$(47,986,739)
F. Market value as of 8/31/2013	$115,338,672
G. Average invested assets (A+.5 x (B+C+E4))	$123,806,822
H. Rate of return, D4÷G	9.32%

4.6.2 Actuarial Value of Assets

A. Market value as of 8/31/2013 $ 115,338,672

Development of amount deferred

Year Ending August 31	Unexpected Amount	Percentage Deferred	Deferred Amount
1. 2010	$ (37,696,848)	25%	$ (9,424,212)*
2. 2011	11,576,290	40%	4,630,516
3. 2012	4,354,390	60%	2,612,634
4. 2013	3,490,209	80%	$ 2,792,168

B. Total deferred amount (Sum of 1-4)	$ 611,106
C. Preliminary actuarial value of assets (A-B)	114,727,566
D. 80% of market value	92,270,938
E. 120% of market value	138,406,406
F. Actuarial value as of 8/31/2013 (C not less than D or greater than E)	$ 114,727,566

* *After recognizing amortization amounts outside the 20% corridor, the remaining amounts were collapsed into one base for future amortization over the remaining four years.*

4.6.3 Actuarial Asset Gain/(Loss)

A. Actuarial assets at 8/31/2012	$ 152,231,761
B. Investment income:	
1. Expected income (Market basis net of investment expenses)	$8,047,442

Development of amount recognized

Year Ending August 31	Unexpected Amount	Percentage Recognized	Recognized Amount
2009	$(54,442,372)	20%	$ 0 *
2010	(37,696,848)	25%	(9,424,212) *
2011	11,576,290	20%	2,315,258
2012	4,354,390	20%	870,878
2013	3,490,209	20%	698,042

2. Total recognized amount	(5,540,034)
3. Forced recognition (due to +/-20% corridor)	0
4. Total investment income (1+2+3)	$ 2,507,408
C. Employer contributions	$ 5,676,206
D. Employer Withdrawal Liability Payments	$ 2,298,930
E. Distributions:	
1. Benefit payments	$ (46,898,108)
2. Administrative expenses	(1,088,631)
3. Total distributions	$ (47,986,739)
F. Actuarial value as of 8/31/2013	$114,727,566
G. Average invested assets (A+.5 x (C+D+E3))	$132,225,960
H. Rate of return (B4÷G)	1.90%
I. Assumed rate of return	6.50%
J. Expected income actuarial basis (I x G)	$ 8,594,687
K. Asset gain/(loss) (B4-J)	$ (6,087,279)

** Amounts outside 20% corridor were collapsed into one base for future amortization.*

4.6.4 Total Gain/(Loss)

A.	Unfunded accrued liability (UAL) at 8/31/2012	$ 482,086,821
B.	Annual cost of benefits and expenses at 8/31/2012	4,229,391
C.	Less contributions	(7,975,136)
D.	Interest on A, B, and C	31,375,663
E.	Expected unfunded accrued liability as of 8/31/2013 (A+B+C+D)	$ 509,716,739
F.	Preliminary UAL before changes as of 8/31/2013	514,814,842
G.	Total gain/(loss), (E-F)	$ (5,098,103)

H.	Change due to:	
	1. Assumption changes (interest rate)	46,872,520
	2. Plan amendments	0
	3. Method changes	0
I.	Subtotal changes	$ 46,872,520
J.	Actual unfunded accrued liability as of 8/31/2013 (F+I)	$ 561,687,362

K.	Gain/(loss) due to:	
	1. Asset experience	$ (6,087,279)
	2. Expenses	256,258
	3. Demographic experience	732,918
	4. Total gain/(loss)	$ (5,098,103)

4.7 Historical Information

4.7.1 Gain/(Loss)

Plan Year Ending 8/31	Assets	Expense	Demographic Assumptions	Total Gain/(Loss)
1999	$ 25,208,510	$125,000	$ (2,030,908)	$23,302,602
2000	29,660,000	125,000	(11,794,105)	17,990,895
2001	(86,903,000)	136,500	749,237	(86,017,263)
2002	(61,923,000)	243,000	(7,709,434)	(69,389,434)
2003	(1,415,000)	334,000	3,876,265	2,795,265
2004	(28,009,000)	(31,000)	(6,210,249)	(34,250,249)
2005	(30,771,704)	(293,621)	1,310,748	(29,754,577)
2006	(12,786,988)	74,686	(3,652,107)	(16,364,409)
2007	2,585,437	217,340	(4,636,876)	(1,834,099)
2008	(6,787,390)	126,238	3,660,183	(3,000,969)
2009	(40,511,838)	7,632	(4,694,912)	(45,199,118)
2010	(16,798,855)	(127,293)	613,621	(16,312,527)
2011	(9,760,100)	(218,666)	(1,818,402)	(11,797,168)
2012	(7,473,830)	352,935	(3,742,837)	(10,863,732)
2013	(6,087,279)	256,258	732,918	(5,098,103)
4-Year Average	$(10,030,016)	$ 65,809	$(1,053,675)	$(11,017,883)

Gain/loss analysis is one of the most important tools available to an actuary to ensure that their model of the Plan's funding is accurate. The exhibit above shows the total gain/(loss) broken down into three components: assets, administrative expense and demographic assumptions.

The gain on assets is very unpredictable due to the unpredictable returns on the market value of assets. Moreover, the gain/(loss) on assets is greatly influenced by the smoothing method. The pattern of asset gains is discussed later in this report.

After itemizing the gain/(loss) on assets and administrative expenses, what remains is the gain/loss on all the other demographic assumptions including retirement, turnover, disability, and mortality rates. Over time, to remain confident in the future funding, it is important that the gains and losses on the demographic assumptions average zero, or at least a relatively small number.

Four years ago we changed demographic assumptions. We will continue to monitor this experience and recommend further assumption changes as necessary.

4.7.2 Asset Information

For Plan Years Ending August 31

	Market Value of Assets	Contributions	Withdrawal Payments	Benefits	Expenses	Market Investment Income	Rates of Return At Market	Rates of Return At Actuarial
1999	$394,239,218	$14,772,008		$(24,170,735)	$(1,679,800)	$52,074,894	15.0%	15.0%
2000	440,998,744	14,773,625		(26,248,015)	(1,588,793)	59,822,709	15.4%	15.4%
2001	372,514,742	14,257,063		(27,824,987)	(1,563,574)	(53,352,504)	-12.3%	-12.3%
2002	319,745,591	12,791,824		(30,202,166)	(1,456,522)	(33,902,287)	-9.3%	10.2%
2003	328,676,773	11,829,875	233,209	(33,367,092)	(1,369,175)	31,604,365	10.2%	7.4%
2004	323,730,056	13,034,110	736,562	(36,629,657)	(1,430,420)	19,342,688	6.1%	0.3%
2005	331,195,457	14,367,494	571,100	(38,388,965)	(1,680,720)	32,596,492	10.5%	-1.0%
2006	319,887,873	15,181,537	713,831	(39,565,189)	(1,328,100)	13,690,337	4.3%	3.8%
2007	332,705,704	15,976,404	717,804	(40,823,824)	(1,182,660)	38,130,107	12.4%	8.6%
2008	290,218,447	18,445,704	616,399	(42,244,121)	(1,073,762)	(18,231,477)	-5.7%	5.6%
2009	222,586,220	9,154,212	2,786,129	(44,440,733)	(1,192,368)	(33,939,467)	-12.4%	-5.9%
2010	188,484,239	2,086,598	2,627,852	(45,899,758)	(1,374,964)	8,458,291	4.2%	0.7%
2011	169,026,779	2,934,162	2,606,076	(46,455,689)	(1,463,224)	22,921,215	13.9%	2.2%
2012	143,812,623	5,659,922	2,803,790	(46,638,561)	(1,095,407)	14,056,100	9.4%	2.1%
2013	115,338,672	5,676,206	2,298,930	(46,898,108)	(1,088,631)	11,537,652	9.3%	1.9%
Totals		$170,940,744	$16,711,682	$(569,797,600)	$(20,568,117)	$164,809,115		
						5-year average	4.9%	0.2%
						10-year average	5.2%	1.8%
						15-year average	4.7%	3.6%

The Plan's return on the market value of assets in the Plan Year ending 8/31/2013 was 9.3%. The return on the actuarial value of assets was less due to the continued recognition of the asset loss in the Plan Year ending 8/31/2009.

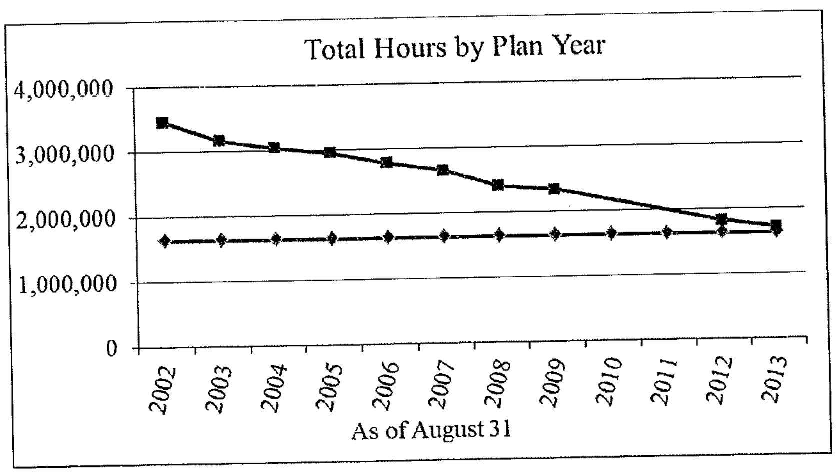
The average return on the market value of assets for the last 15 years is 4.7%. We have changed the interest rate assumption in this valuation from 6.5% to 5.75%.

4.7.3 Employment

Plan Years Ending August 31	Contribution Income*	Average Contribution Rate (t+1)	Employment Hours for Valuation**
2002	$12,791,824	$3.69615	3,460,851
2003	11,829,875	3.74118	3,162,071
2004	13,034,110	4.28178	3,044,087
2005	14,367,494	4.86586	2,952,714
2006	15,181,537	5.44976	2,785,726
2007	15,976,404	6.01783	2,654,845
2008	15,498,778	6.44241	2,405,742
2009	13,905,655	5.95461	2,335,276
2010	N/A	N/A	N/A
2011	N/A	N/A	N/A
2012	$5,659,922	$3.31652	1,819,127
2013	$5,676,206	$3.15040	1,711,495

The employment assumption included in the valuation is 1,629,375 hours annually.

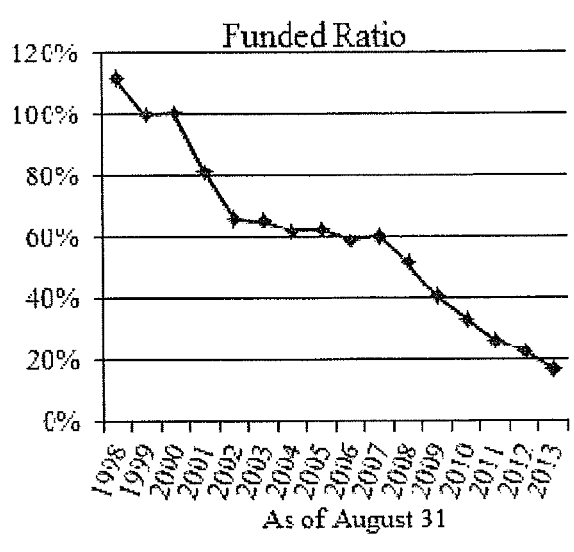
We are projecting future income based upon total hours and an average contribution rate of $3.1504 per hour. Prior to 2010, we used the General Freight contribution rate as the average contribution rate and imputed the annual hours worked at 1,875 per year. In light of the Memorandum of Understanding with YRC Worldwide, we are no longer using the General Freight rate as our average rate.



** Due to the effects of the Memorandum of Understanding with YRC Worldwide, the contribution income for the Plan Years ending 8/31/2010 and 8/31/2011 contain large receivables, and we cannot accurately estimate the hours worked in those years.*
***Total hours for the valuation is derived by dividing actual contributions by last year's projected contribution rate, and will not necessarily match reported hours by the Fund Office.*

4.7.4 Funded Ratio

Plan Years Ending Aug. 31	Market Value of Assets	Present Value of Accrued Benefits	Funded Ratio
1998	$ 353,242,851	$ 316,477,698	111.6%
1999	394,239,218	396,192,285	99.5%
2000	440,998,744	439,651,402	100.3%
2001	372,514,742	458,385,281	81.3%
2002	319,745,591	485,007,058	65.9%
2003	328,676,773	501,842,484	65.5%
2004	323,730,056	522,522,717	62.0%
2005	331,195,457	532,601,507	62.2%
2006	319,887,873	543,481,542	58.9%
2007	332,705,704	554,659,617	60.0%
2008	290,218,447	562,895,822	51.6%
2009	222,586,220	549,978,255	40.5%
2010	188,484,239	568,122,700	33.2%
2011	169,026,779	634,735,046	26.6%
2012	143,812,623	634,318,582	22.7%
2013	115,338,672	676,414,928	17.1%



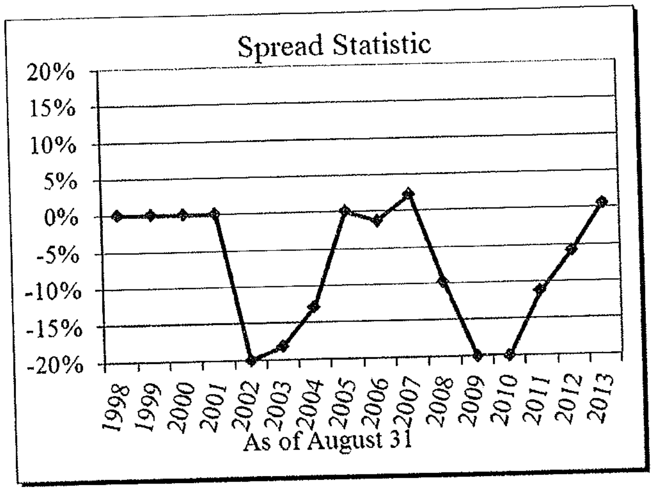
The Funded Ratio is a statistic commonly followed by Trustees. It provides an alternative measure of the Plan's current level of funding. The Funding Ratio compares the market value of assets to the value of benefits accrued as of the valuation date. Based on the market value of assets of $115,338,672 and the total value of accumulated benefits of $676,414,928 the Funded Ratio is 17.1% as of August 31, 2013. The funded ratio under the PPA, which uses the actuarial value of assets, is 17.0%

The fact that the Funded Ratio is under 100% means that there are unfunded accumulated benefits when valuing the Plan on an ongoing basis. It does not necessarily imply that the Plan is underfunded on a long term basis because it makes no consideration of future contributions relative to future costs. The Margin is the best single statistic to get a sense of how well funded the Plan is on a long term basis.

Moreover, the Funding Ratio is not a measure of funding on a Plan-termination basis. That would require a different interest assumption.

4.7.5 Actuarial Value of Assets Expressed as a % of Market Value

Plan Years Ending Aug. 31	Actuarial Value of Assets	Actuarial Assets as a Percent Of Market
1998	$ 353,242,851	100.0%
1999	394,239,218	100.0%
2000	440,998,744	100.0%
2001	372,514,742	100.0%
2002	383,694,709	120.0%
2003	388,466,303	118.2%
2004	365,353,230	112.9%
2005	336,739,925	101.7%
2006	324,028,675	101.3%
2007	325,433,208	97.8%
2008	318,671,200	109.8%
2009	267,103,464	120.0%
2010	226,181,087	120.0%
2011	188,038,383	111.2%
2012	152,231,761	105.9%
2013	114,727,566	99.5%



The three primary measures that help an actuary assess how well funded a Trust is on a long-term basis are:

1. Margin,
2. Gain/loss analysis and an assessment of assumptions, and
3. Spread, defined as the difference between the market and actuarial value of assets expressed as a percentage of the market value of assets.

The Margin and assumptions were covered in earlier sections.

The third factor is the Spread statistic. When positive it represents a cushion to help offset potential future unfavorable investment experience. Conversely, when the actuarial value is greater than the market value the Spread turns negative. When this is the case future investment returns over and above the assumed return are necessary over time to restore the market value of assets equal to the actuarial value.

Currently the Spread is 0.5%.

4.8 Pension Protection Act – Rehabilitation Plan

The Plan continues to be in the Red Zone as of August 31, 2013 because it has a funding deficiency.

The Trustees have implemented a Rehabilitation Plan (RP) as per the PPA. The Rehabilitation Plan (Non-Default Schedule) is as follows:

Key Dates

Initial Critical Zone Certification:	September 1, 2008
Adoption Period:	11/30/2008 – 8/31/2011
WRERA Election Date:	October 30, 2009
Rehabilitation Period:	9/1/2011 – 8/31/2024

Contribution Increases and Future Benefit Accruals

Compliance with the Non-Default Schedule requires the Contributing Employer's contribution rate to increase effective August 1, 2008, and increasing August 1st annually thereafter.

Future benefit accruals for the Normal Retirement Pension will be 0.6% of the Employer Contribution required to be made on behalf of the Participant for the first year the Non-Default Schedule is in place and the rate of future benefit accrual will be adjusted in the following years to provide a 4% annual benefit increase until the maximum benefit of $115 is reached. This adjustment will be effective annually on January 1. The previous cap on a Contributing Employer's contribution rate (i.e., $4.3975 per hour or, if lower, the rate in effect on December 31, 2004) is eliminated.

Contribution increases and accrual rates are scheduled as follows:

Year	Contribution Increase	Accrual Rate
August 1, 2008	10.614%	0.6000%
August 1, 2009	9.596%	0.5694%
August 1, 2010	8.755%	0.5445%
August 1, 2011	8.051%	0.5241%
August 1, 2012	7.451%	0.5072%
August 1, 2013	5.944%	0.4979%
August 1, 2014	5.610%	0.4903%
August 1, 2015	5.312%	0.4842%
August 1, 2016	5.044%	0.4610%
August 1, 2017	4.802%	0.4399%

Adjustable Benefits Reduced

1. A Service Pension is available to Participants with at least 25 Pension Credits who have attained age 57 or to Participants with 30 Pension Credits at any age. The amount of the Service Pension is an unreduced Normal Retirement Pension. The Service Pension replaces the Twenty-Five Year Service Pension.
2. A reduced Service Pension is available to Participants with at least 25 Pension Credits who have not yet attained age 57. In this case, the amount of the reduced Service Pension is the Normal Retirement Pension reduced by 0.5% for each whole calendar month by which the commencement of benefits precedes the first day of the month coinciding with or next following the date the Participant attains age 65.

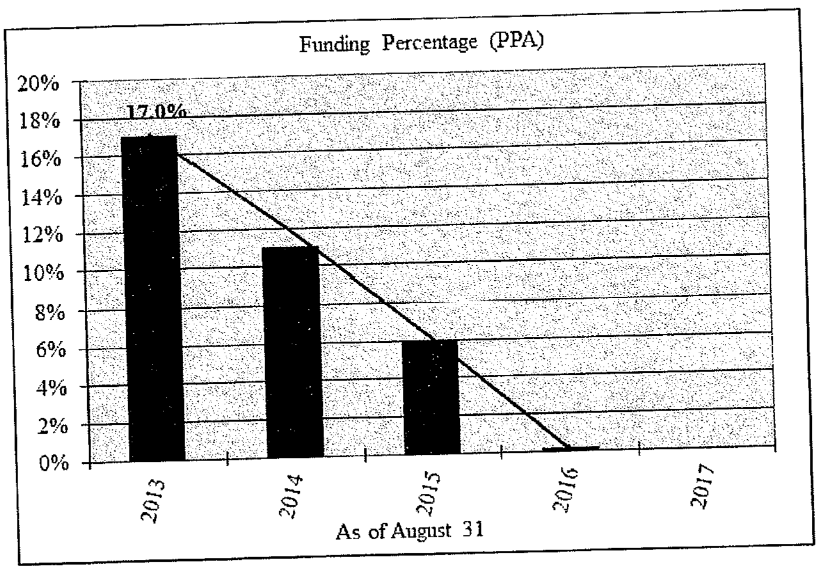
3. The Supplemental Pension Benefit is available to Participants with at least 25 Pension Credits who have attained age 57 or Participants with 30 Pension Credits at any age, where at least 18 Pension Credits are attributable to service under the Plan.

Adjustable Benefits Eliminated

- Disability Pension
- Supplemental Lump Sum Post-Retirement Death Benefit
- Thirty-Year Service Lump Sum Post-Retirement Death Benefit
- 5-Year Period Certain Life Annuity

The WRERA election extended the Rehabilitation Period from ten years to thirteen years, and froze the Plan's Zone Status (required no update to the Rehabilitation Plan) for the Plan Year ending August 31, 2010.

The following chart projects the funded percentage future assuming that there are no gains or losses on demographic assumptions and that the market value of assets returns the assumed rate of 5.75%. The chart shows the Plan going insolvent before August 31, 2017.



Since the fourth quarter of 2008, the severe economic downturn has created a tremendous funding burden related to the loss in asset value and reduction in employment. As a result, the plan sponsor determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the plan can not reasonably be expected to emerge from critical status by the end of the rehabilitation period, or any later period. As a result the Rehabilitation Plan is not being updated, as allowed by IRC §432(e)(3)(A)(ii).

4.9 Reorganization

Current Plan Year: 9/1/2013 – 8/31/2014

IRC Section 418 requires Plans to determine their reorganization status each year. Reorganization status is determined based on whether or not the amortization of unfunded vested benefits is greater than the net charge to the Funding Standard Account. The unfunded vested benefits are calculated using adjusted assets and the vested benefit liability as of the end of the Base Year. The Base Year is determined based on a two prong test:

Test	Result
1. The Plan year ending at least six months prior a "relevant CBA" start date. A relevant CBA is one in effect for at least six months of the current Plan year but not in effect for more than 36 months. Or, if there is no relevant CBA,	8/31/2012
2. The Plan year ending at least 12 months prior to the beginning of the current Plan year, (8/31/2012 for the Plan Year ending 8/31/2014)	

The earliest relevant CBA is with Hudson News Newburgh, effective 3/1/2013. Therefore the Base Plan Year is the Plan Year ending 8/31/2012.

For the Plan Year ending 8/31/2014, the Plan is in reorganization status because the reorganization index is greater than $0. The table below demonstrates the calculation of the Plan's reorganization status.

As of 8/31/2012 (End of the Base Year)

	Vested Benefit Liability	Adjusted Assets	Unfunded Vested Benefit Liability	Vested Benefits Amortization Charge
A. Retired	$436,689,007	$136,694,135	$ 299,994,872	$ 38,088,219
B. Non-retired	188,319,463	-	188,319,463	13,601,414
C. Total	$625,008,470	$136,694,135	$ 488,314,335	$ 51,689,633

Net charge to the Funding Standard Account

D. Normal Cost	$ 4,394,659
E. Amortization Charges	59,861,926
F. Amortization Credits	(12,999,215)
G. Total	$ 51,257,370
H. Reorganization Index (C – G)	$ 432,263

Because the Reorganization Index is greater than $0, the Plan is in reorganization status as anticipated.

5. ASC No. 960 Disclosures

5.1 Present Value of Accumulated Plan Benefits

As of August 31, 2013

A. Present Value of Vested Benefits:	
1. Participants currently receiving payments	$ 461,445,675
2. Other vested benefits	204,900,307
3. Subtotal vested benefits	$ 666,345,982
B. Present Value of Non-Vested Benefits	10,068,946
C. Present Value of Accumulated Benefits (A+B)	$ 676,414,928

The ASC No. 960 values were computed using the same assumptions as those used for determining funding requirements.

5.2 Reconciliation of Changes in Present Value of Accumulated Benefits

A. Present Value of Accumulated Benefits at Prior Valuation Date	$ 634,318,582
B. Changes During the Year Due to:	
1. Benefits accumulated and net gains	891,226
2. Benefits paid	(46,898,108)
3. Assumption changes	46,872,520
4. Method changes	0
5. Plan amendments	0
6. Passage of time	41,230,708
7. Total change	$ 42,096,346
C. Present Value of Accumulated Benefits at Current Valuation Date	$ 676,414,928

6. Government Reporting

6.1 Summary of Assumptions

These are the assumptions used for the ongoing valuation calculations, unless otherwise noted.

Mortality	
Healthy	RP-2000 healthy mortality set forward three years using Scale BB improvement from 2000
Disability	RP-2000 disabled mortality set forward three years using Scale BB improvement from 2000
Withdrawal	Crocker-Sarason-Straight T-3
Disability	SOA 1973 Transactions, XXVI
Retirement Age	
Actives	Actives: Sample rates as follows with an additional 70% when participant is first eligible for an unreduced Early Retirement:

Age	Rate	Age	Rate
55	2%	61	10%
56	2%	62	30%
57	20%	63	10%
58	5%	64	10%
59	5%	65	100%
60	10%		

Inactive Vested: Based upon Pension Service as follows:
- Less than 15 years: age 65
- 15-25 years: age 60
- 25 or more years: age 57 or immediately if over age 57

Future Employment	1,629,375 total hours (1,875 per active)
Definition of Active	Any participant completing 250 hours of service in covered employment in a calendar year, excluding those who have retired as of the valuation date
Percent Married	80%
Age of Spouse	Females are 3 years younger than their spouses
Net Investment Return	5.75%
Administrative Expenses	$1,300,000 payable in the middle of the year

Load	A 5% load to active accrued liability and normal cost to cover reciprocal retirements.
Actuarial Value of Assets	The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a four year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Traditional Unit Credit

RPA '94 Current Liability Assumptions

Interest	3.61%
Mortality	
Healthy	Mortality: RP-2000 per IRC §1.430(h)(3)-1
Disabled	Mortality: RP-2000 per IRC §1.430(h)(3)-1

6.2 Recent Plan Changes

The plan was started in 1951 with its finances coming from employer contributions and investment yield on the plan funds. Coverage is afforded participants working in the jurisdiction of Local 707 for employers with collective bargaining agreements providing for pension contributions to the plan.

Effective January 1, 2009:

Change	Interim Plan	Default Plan	Non-Default Plan
Future accruals	0.5% of hourly contributions not to exceed \$4.3975/hour or the rate in effect on 12/31/2004	1% of hourly contributions not to exceed \$4.3975/hour or the rate in effect on 12/31/2004	0.6% of hourly contributions with no cap and decreasing annually. When combined with the required contribution increases, target accruals increase 4% per year until equivalent to \$115 per hour.
Twenty-Five Year Service Pension	No participant will earn benefits towards the Twenty-Five Year Service Pension after 12/31/2008	The Twenty-Five Year Service Pension is eliminated.	Calculated as above. Eligibility for an unreduced benefit is changed to 25 years of service and age 57, or 30 years of service. A reduced Service Pension is available to Participants with at least 25 Pension Credits who have not yet attained age 57. In this case, the amount of the reduced Service Pension is the Normal Retirement Pension reduced by 0.5% for each whole calendar month by which the commencement of benefits precedes the first day of the month coinciding with or next following the date the Participant attains age 65.
Supplemental Pension Benefit	Eliminated for retirements after December 31, 2008	Eliminated for retirements after December 31, 2008	Eligibility for a supplemental pension benefit is changed to 25 years of service and age 57, or 30 years of service where at least 18 Pension Credits are attributable to service under the Plan.
Disability Benefit	Eliminated for retirements after December 31, 2008	Same	Same
Post-Retirement Death Benefit Supplemental Lump Sum	Eliminated after December 31, 2008	Same	Same

Change	Interim Plan	Default Plan	Non-Default Plan
Post-Retirement Death Benefit Thirty-Year Service Lump Sum	Eliminated after December 31, 2008	Same	Same
Subsidized 5-Year Certain & Continuous Benefit	No Change	Eliminated for retirements after December 31, 2008	Eliminated for retirements after December 31, 2008

Effective	Description
1/1/2005	Actives:

1. The benefit accruing after 2004 is changed to 1% of the contributions payable at an hourly rate not exceeding $4.3975 (or equivalent lesser amounts for employers contributing at less than the General Freight rate).

2. The service pension accruing after 2004 is reduced 1/2% for each month by which commencement precedes age 55.

3. The bridge benefit is changed. Eligibility is 30 years of pension service, or age 55, with 25 years of pension service (formerly 25 years regardless of age). In each case, at least 18 years of the pension service must be service under the plan. The temporary amount payable until age 65 or earlier death is increased from $100 to $200 plus $100 for each full pension credit earned after each January 1st following initial eligibility for the bridge benefit on or after 1/1/2005 provided that the bridge benefit does not thereby exceed the expected Social Security benefit.

4. The five-year guarantee now applies only as an actuarially reduced benefit if elected with spousal consent (subject to grandfathering of the amount accrued as of 12/31/2004). Also, the five-year guarantee on death before retirement no longer applies.

5. For those with at least a quarter-year of pension service after 12/31/2004 there are revised actuarial equivalencies and additional 50% and 100% H&W options incorporating a pop-up feature that restores the benefit to the single-life amount if the spouse dies first. The 50% H&W with pop-up is subject to spousal consent.

2001 Actives:

Among the changes were:

a. participation on January 1 after a calendar year in which 250 hours of service were earned in covered employment (retroactive to 9/1/99),
b. an option at retirement to elect a joint and 100% form of benefit to protect a spouse (effective 5/1/01), and
c. elimination of the one year of marriage requirement for payment in joint and survivor form if retiring.

7/1/2000 Actives:

The benefit unit has been increased to $115 per year of pension service.

9/1/1999 Actives:

1. The service requirement for vesting is reduced to five years of vesting service.

2. A pension increase of $100/month payable only until age 65 applies for those retiring with 25years of pension service.

Effective	Description
4/1/1999	Actives:

The following increase has been adopted for active participants who have contributions made on their behalf at the National Master Freight rate of contributions (reduced benefits apply where contributions are made at a lower rate):

> The amount of the monthly 25 Year Service Pension has been increased to $2,000. ($2,500. for those age 55 or over) plus $100 for each year of Pension Service in excess of 25 years.

7/1/1998 Pensioners:

The Trustees approved a $500 one-time check to those receiving a monthly pension check of less than $500, and a $1,000 one-time check to those receiving a monthly pension check of $500 or more.

4/1/1998 Actives:

The following increases have been adopted for active participants who have contributions made on their behalf at the National Master Freight rate of contributions (reduced benefits apply where contributions are made at a lower rate):

a. The amount of the Regular Pension has been increased to $100 per year of pension service
b. The amount of the monthly 25 Year Service Pension has been increased to $1,800
c. The 30 Year Service Pension has been increased to $100 for each year of pension service

9/1/1997 Actives:

The following increases have been adopted for active participants who have contributions made on their behalf at the National Master Freight rate of contributions (reduced benefits apply where contributions are made at a lower rate):

a. The amount of the Regular Pension has been increased to $89.16 per year of pension service
b. The amount of the monthly 25 Year Service Pension has been increased to $1,600
c. The 30 Year Service Pension has been increased to $89.16 for each year of pension service

4/1/1996 Pensioners:

The Trustees provided an overall 3.5% increase to the pensioners which was allocated to each pensioner based on the years each pensioner has been receiving a pension benefit.

Effective	Description
9/1/1994	Actives:

The following increases have been adopted for active participants who have contributions made on their behalf at the National Master Freight rate of contributions (reduced benefits apply where contributions are made at a lower rate):

a. The amount of the Regular Pension has been increased to $85.83 per year of pension service
b. The amount of the monthly 25 Year Service Pension has been increased to $1,545
c. The 30 Year Service Pension has been increased to $85.83 for each year of pension service

9/1/1991 Actives:

The following increases have been adopted for active participants who have contributions made on their behalf at the National Master Freight rate of contributions (reduced benefits apply where contributions are made at a lower rate):

a. The amount of the Regular Pension has been increased to $83.33 per year of pension service
b. The amount of the monthly 25 Year Service Pension has been increased to $1,500
c. The 30 Year Service Pension has been increased to $83.33 for each year of pension service

12/1/1990 A permanent 13th check for all participants was added

9/1/1989 Actives:

The following increases have been adopted for active participants who have contributions made on their behalf at the National Master Freight rate of contributions (reduced benefits apply where contributions are made at a lower rate):

a. The amount of the Regular Pension has been increased to $66.67 per year of pension service
b. The amount of the monthly 25 Year Service Pension has been increased to $1,200
c. The 30 Year Service Pension has been increased to $66.67 for each year of pension service

6.3 Summary of Plan Provisions

These provisions are for participants of employers who contribute at the National Master Freight Agreement rate of contribution. The summary plan description should be reviewed for plan provisions in effect for other contribution rates.

Plan Year:	September 1 through August 31.
Participant	Entry date on January 1st following completion of 250 hours of service in covered employment in a calendar year.
Vesting Service Time Period	Vesting Service Earned
Before 8/1/1976	One year for each plan year in which at least 1,000 hours of service were completed.
8/1/1976 and After	One for each plan year in which at least 1,000 hours of service or related service were completed.
Pension Credit Time Period	Pension Credit Earned
9/1/1950 to 7/31/1954	1/4 of a year for each plan year quarter in which the employer was required to contribute for at least 36 days worked.
8/1/1954 to 7/31/1976	1/4 of a year for each plan year quarter in which the employer was required to contribute for at least 25 days worked.
8/1/1976 to 7/31/1982	1/4 of a year for each 250 hours of service in a plan year, up to one year.
8/1/1982 to 12/1/1982	1/4 of a year for each 200 hours of service in a plan year, up to a half year.
1/1/1983 and After	1/4 of a year for each 250 hours of service in a plan year, up to one year.
Vesting	100% after 5 years of Vesting Service.
Break Year	A break year is a year in which fewer than 250 hours of service are credited. A non-vested participant who incurs a break year forfeits participation and service (subject to ERISA restoration rights). A permanent break in service is after consecutive break years that equal the greater of five years or the years of Vesting Service before the first of those break years. Service earned previously can then be restored only if the participant subsequently earns ten consecutive years of Pension Credit under only the Local 707 Pension Plan. The benefit unit is "frozen" after a break year for his pre-break Pension Credit until the participant earns more Pension Credit under only the Local 707 Pension Plan than his break years. However, if the participant first incurs a permanent break in service the benefit unit is "frozen" until he subsequently earns ten consecutive years of Pension Credit under only the Local 707 Pension Plan.

Normal Retirement Pension:

Eligibility	Age 65 with 5 years of plan participation.
Amount	As accrued through 12/31/2004 plus 0.6% of hourly contributions with no cap and decreasing annually. When combined with the required contribution increases, target accruals increase 4% per year until equivalent to \$115 per hour as follows:

Eff. Jan. 1	Accrual Rate
2009	0.6000%
2010	0.5694%
2011	0.5445%
2012	0.5241%
2013	0.5072%
2014	0.4979%
2015	0.4903%
2016	0.4842%
2017	0.4610%
2018	0.4399%

Normal Form	Life only

Early Pension:

Eligibility	Age 55 with 15 years of Pension Credit. Must have at least two quarters under Local 707.
Amount	Normal Retirement Pension benefit reduced 1/2 of 1% for each month prior to Regular Pension date.

Service Pension:

Eligibility	25 Pension Credits who have attained age 57 or Participants with 30 Pension Credits at any age.
Amount	Normal Retirement Pension benefit unreduced at age 57. Reduced by 1/2% for each month by which retirement precedes age 57.

Bridge Benefit:

Eligibility

Must meet one of the two rules below:

- 30 years of Pension Credit
- Age 57 and 25 years of Pension Credit

At least 18 years of service must be under Local 707.

Amount

\$200 plus \$100 for each full year of pension service after the later of eligibility or 1/1/2005. Payable until age 65 or death if earlier.

Disability:

Eligibility	Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

Vested Pension:

Eligibility	5 years of vesting service.
Amount	Normal Retirement Pension deferred to Normal Retirement Pension age.

Pre-Pension Surviving Spouse Pension:

Eligibility	Vested and married for one year at death.
Amount	50% of the benefit the participant would have received had he or she retired the day before he or she died and elected the joint and 50% survivor option. If the participant died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the participant's earliest retirement date.

Post-Pension $10,000 Death Benefit:

Eligibility	Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

Post-Pension $2,500 Death Benefit:

Eligibility	Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

Grandfathering:

A participant with pension service earned after 2004 has all optional forms reduced for actuarial equivalence using 7% interest and unisex mortality as in Revenue Ruling 95-6 (except lump sums calculated on the Code Section 417(e)(3) basis). In no event is the optional form less than that calculated as of 1/1/05.

A participant who has no pension service earned after 2004 has husband and wife options calculated using the formula stated in the plan document.

Optional Forms of Benefit:

The following optional forms of benefit are actuarial equivalent to the normal form of benefit

- 50% J&S
- 50% J&S with "Pop-Up"
- 75% J&S
- 75% J&S with "Pop-Up"
- 100% J&S
- 100% J&S with "Pop-Up"

6.4 Contribution Rate History

Effective August 1	General Freight Rate
2001	$3.7975
2002	$3.7975
2003	$4.3975
2004	$4.9975
2005	$5.5975
2006	$6.1975
2007	$6.5950
2008	$7.2950
2009	$7.9450
2010	$8.6950
2011	$9.3450
2012	$9.9950
2013	$10.6450

6.5 Funding Standard Account and Minimum Required Contributions

Rules for determining minimum required and maximum deductible contributions are set forth in IRC Sections 431 and 404, respectively. Since deductibility may be affected by factors not considered here, the deductibility and timing of contributions should be reviewed with tax counsel.

	Actual 2013	Projected 2014
For Plan Year ending August 31:		
Charges to the FSA:		
a. Funding deficiency	$76,991,125	$ 124,493,995
b. Normal cost	4,229,391	4,394,659
c. Amortization charges	56,668,046	59,861,926
d. Interest on a, b and c	8,962,757	$ 10,853,158
e. Total charges	$146,851,319	$199,603,738
Credits to FSA:		
f. Credit Balance at beginning of year	$0	$0
g. Employer contributions	7,975,136	7,432,112
h. Amortization credits	13,283,847	12,999,215
i. Interest on above	1,098,341	941,345
j. Total credits	$22,357,324	$21,372,672
Credit Balance at end of Year	$(124,493,995)	$(178,231,066)
Minimum Required Contribution (e - (f + h) x (1.065))	$132,704,022	$185,857,068
Minimum Without Regard to the Credit Balance (e - h x (1.065))	$132,704,022	$185,857,068

A Plan's Credit Balance represents a cumulative measure of all prior contributions (since the initial ERISA effective date) against all prior minimum requirements. If cumulative contributions exceed cumulative minimums, then the Funding Standard Account will maintain a Credit Balance which can be used to offset any current year minimum requirements. As of August 31, 2013, the Plan has a negative Credit Balance (Funding Deficiency) of $(124,493,995). The minimum requirement for the year ending August 31, 2014 is $185,857,068 after recognition of the Funding Deficiency.

6.6 Maximum Deductible Contribution

A.	Traditional Maximum Deductible	$ 80,061,333
B.	140% of Projected RPA Current Liability, less Actuarial Value of Assets	1,165,506,367
C.	Minimum Required Contribution	185,857,068
D.	Greatest of A, B, or C	$ 1,165,506,367

The maximum allowable deduction for the fiscal year ending August 31, 2014 is $1,165,506,367 . To be deductible for a given fiscal year, a contribution should be made by the time the tax return for that fiscal year is filed with the IRS (including extensions). Specific advice on the deductibility of contributions and timing should be reviewed with your tax counsel.

6.7 Current Liability at Beginning of Plan Year

Current liability is the present value of accrued benefits under the Plan using actuarial assumptions as prescribed by the Retirement Protection Act of 1994 (RPA '94). The liability is determined using the same assumptions used to determine the Plan's funding requirements, except for the interest rate and mortality table. These values are used for specific, prescribed purposes.

RPA '94 Current Liability:

A. Assumptions		
1. Interest rate	3.61%	
2. Mortality table	RP-2000 per IRC §1.430(h)(3)-1	
B. RPA '94 Current Liability	Vested Benefits	Total Benefits
1. Retirees and beneficiaries receiving payments	$582,802,691	$582,802,691
2. Inactive vested participants	91,563,684	91,563,684
3. Actives	203,811,692	219,216,796
4. Total	$878,178,067	$893,583,171
C. Expected Increase in Liability		$4,327,532
D. Expected Benefits to be Paid During the Year		$47,367,089

6.8 Amortization Schedule for Minimum Required Contribution

Amortization Charges as of September 1, 2013

Date Established: Sept. 1	Base Type	Outstanding Balance	Years Remaining	Amortization Amount
1990	Combined Bases	$ 33,587,511	6	$ 6,408,403
1991	Plan Amendment	13,992,864	13	1,472,940
1991	Method Change	3,928,570	8	592,337
1992	Plan Amendment	5,749,231	14	575,879
1992	Assumption Change	1,841,196	14	184,426
1994	Plan Amendment	6,054,754	16	556,867
1994	Loss	337,648	1	337,648
1996	Plan Amendment	4,289,963	18	367,661
1997	Plan Amendment	4,608,354	19	382,950
1997	Assumption Change	1,528,142	19	126,987
1998	Plan Amendment	15,804,698	20	1,276,683
1998	Assumption Change	12,674,273	20	1,023,812
1998	Loss	6,412,418	5	1,429,737
1999	Plan Amendment	3,255,545	21	256,213
2000	Plan Amendment	29,854,431	22	2,293,762
2000	Assumption Change	388,937	22	29,883
2001	Loss	41,006,763	8	6,182,861
2002	Loss	37,529,323	9	5,161,007
2004	Loss	22,595,799	11	2,674,675
2005	Loss	21,254,019	12	2,364,526
2006	Loss	12,530,743	13	1,319,032
2007	Loss	1,493,051	14	149,553
2008	Loss	2,578,970	15	247,014
2008	Assumption Change	21,866,524	15	2,094,379
2009	Loss	37,141,836	11	4,396,496
2010	Loss	14,177,437	12	1,577,251
2010	Assumption Change	20,749,959	12	2,308,449
2011	Loss	10,789,766	13	1,135,770
2011	Assumption Change	65,680,718	13	6,913,792
2012	Loss	10,414,487	14	1,043,179
2013	Loss	5,098,103	15	488,297
2013	Assumption Change	46,872,520	15	4,489,457
Total Charges		$ 516,088,553		$ 59,861,926

Amortization Credits as of September 1, 2013

Date Established: Sept. 1	Base Type	Outstanding Balance	Years Remaining	Amortization Amount
1991	Assumption Change	$(12,239,495)	8	$(1,845,430)
1999	Gain	(2,447,847)	1	(2,447,847)
1999	Assumption Change	(3,031,186)	16	(278,784)
2000	Gain	(3,645,291)	2	(1,873,582)
2003	Gain	(1,273,659)	5	(283,980)
2004	Plan Amendment	(6,001,051)	21	(472,286)
2005	Plan Amendment	(7,485,321)	22	(575,109)
2008	Method Change	(18,543,590)	10	(2,354,348)
2009	Plan Amendment	(24,227,746)	11	(2,867,849)
Total Credits		$ (78,895,186)		$ (12,999,215)
Net Charges/(Credits)		$ 437,193,367		$ 46,862,711

6.9 Equation of Balance

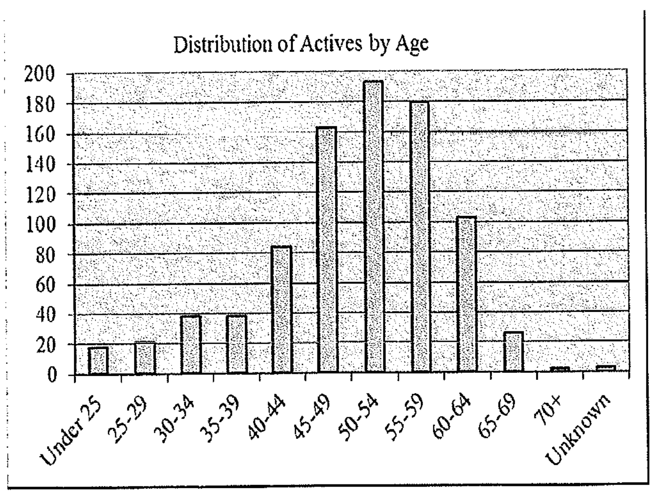
A.	Net Outstanding Balance of Bases	$437,193,367
B.	Credit Balance	$(124,493,995)
C.	Unfunded Actuarial Accrued Liability (A-B)	$561,687,362

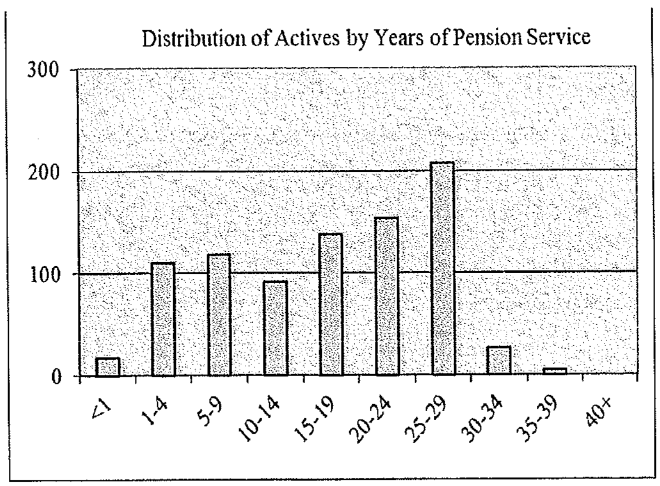
7. Data Summary

7.1 Actives by Age and Pension Service

Age	Less Than 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	4	14									18
25-29	3	16	2								21
30-34	3	16	13	6							38
35-39	1	13	15	5	3	1					38
40-44	2	10	21	13	25	11	2				84
45-49		8	23	18	26	40	48				163
50-54	2	17	18	26	32	34	60	4			193
55-59		8	17	12	35	36	59	12	1		180
60-64		5	6	8	12	30	31	7	4		103
65-69		2	4	4	4	1	7	4			26
70+					1	1					2
Unknown	2	1									3
Total	17	110	119	92	138	154	207	27	5	0	869

The average age of the actives is 50.8, and the average service is 17.0 years.





7.2 Distribution of Actives by Hours Worked

Hours Between	Number of Actives
0-200	0
200-400	14
400-600	14
600-800	18
800-1000	23
1000-1200	15
1200-1400	9
1400-1600	15
1600-1800	29
1800-2000	60
2000-2200	170
2200-2400	115
2400-2600	119
2600-2800	125
2800-3000	64
3000-3200	79
Grand Total	869
Average Hours	2,253

7.3 Distribution of Actives by Contribution Rate

Contribution Rate	Count
1.8238	663*
1.8700	11
2.2269	5
3.4900	2
3.7500	24
4.3400	1
4.6000	19
5.6300	1
6.0500	31
6.7975	1
7.2950	1
9.2694	6
9.3450	1
9.9950	93
10.645	10
Total	869

Above is a distribution of actives by the contribution rate.

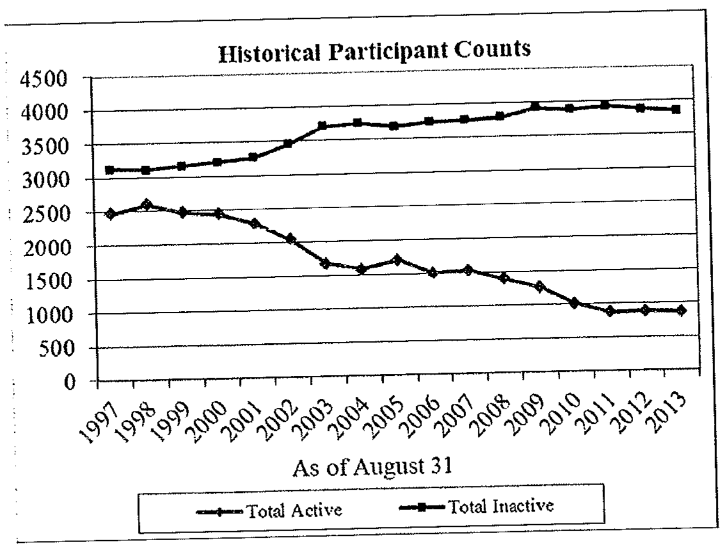
**Includes all YRC participants*

7.4 Flow of Lives

	Actives	Inactive Vested	Disabled	Retired & Beneficiaries	Total
Beginning of year	880	792	83	2,996	4,751
To inactive vested	(29)	29			
Terminated non-vested	(15)				(15)
Returned to work	3	(3)			
New entrants	70				70
To retired	(39)	(34)		73	
To disabled					
New Alternate Payee				3	3
New Pro-Rata					
Deaths	(1)	(3)	(2)	(133)	(139)
New beneficiaries		1		32	33
Expiration of beneficiary benefits					
Data Refinements				8	8
End of year	869	782	81	2,979	4,711

7.5 Historical Participation

As of August 31	Active	Separated Vested	Retired	Total
1997	2,475	534	2,598	5,607
1998	2,598	522	2,594	5,714
1999	2,471	493	2,667	5,631
2000	2,441	469	2,739	5,649
2001	2,287	512	2,751	5,550
2002	2,048	641	2,809	5,498
2003	1,675	737	2,968	5,380
2004	1,575	721	3,015	5,311
2005	1,704	675	3,008	5,387
2006	1,498	700	3,040	5,238
2007	1,529	690	3,065	5,284
2008	1,396	718	3,066	5,180
2009	1,264	718	3,192	5,174
2010	1,008	767	3,113	4,888
2011	870	835	3,088	4,793
2012	880	792	3,079	4,751
2013	869	782	3,060	4,711



7.6 New Pensioners

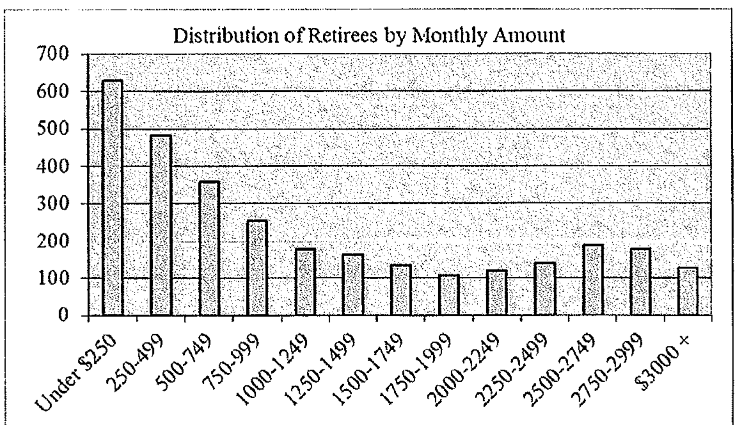
Class	Number	Average Age	Range of Monthly Pension: Low	Average	High
Service Pension	33	60.6	$ 429	$2,152	$ 3,121
Early	27	59.4	45	788	1,737
Normal	23	67.3	181	1,028	2,297
Disability					
Pro-Rata					
Survivor	32	80.2	44	604	2,464
Alternate Payee	3	60.6	399	744	1,250
Total	118	66.9	$ 44	$ 1,165	$ 3,121

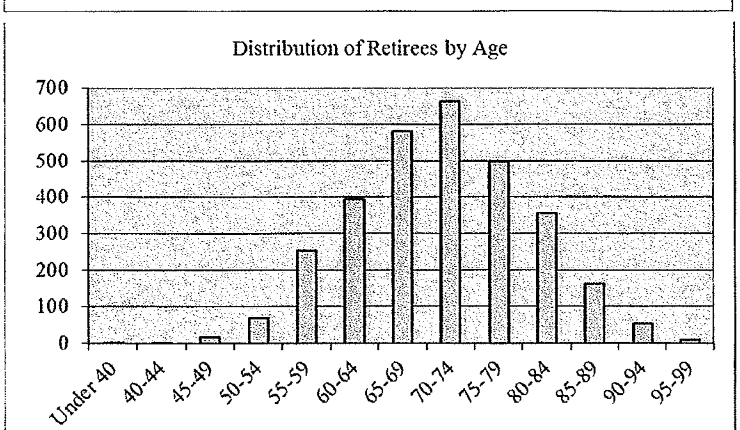
7.7 Pensioners Average Pension by Class

Class	Number	Average Age	Range of Monthly Pension: Low	Average	High
Service Pension	840	67.3	$ 27	$ 2,222	$ 4,696
Early	430	69.5	16	883	2,793
Normal	275	74.1	77	967	3,614
Disability	81	68.1	36	448	1,259
Pro-Rata	884	76.2	4	833	3,596
Survivor	488	72.1	21	471	2,539
Alternate Payee	62	63.4	12	484	1,250
Total	3,060	71.5	$ 4	$ 1,158	$ 4,696

7.8 Distribution of Monthly Pensions

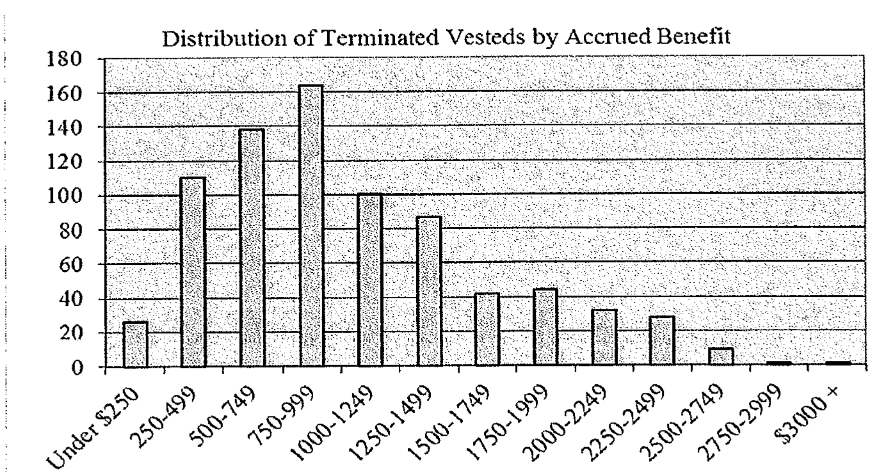
Age	Under $250	250-499	500-749	750-999	1,000-1,249	1,250-1,499	1,500-1,749	1,750-1,999	2,000-2,249	2,250-2,499	2,500-2,749	2,750-2,999	$3,000 & Over	Total
<40	1	1												2
40-44		2												2
45-49	4	3	3	2		1	1				3			17
50-54	4	7	13	5		1		1	2	7	7	20	3	70
55-59	31	29	18	27	13	4	5	8	7	11	35	45	20	253
60-64	55	37	45	22	15	19	18	8	10	41	37	46	41	394
65-69	92	83	61	42	37	27	18	28	33	35	50	38	36	580
70-74	138	107	62	68	48	49	37	24	28	30	39	19	15	664
75-79	124	91	61	35	33	33	28	23	27	11	15	8	8	497
80-84	99	71	67	32	20	19	18	7	12	4	2	2	3	356
85-89	58	32	19	19	10	5	9	8	1				1	162
90-94	18	17	10	3	2	3								53
95-99	5	3			1	1								10
Total	629	483	359	255	179	162	134	107	120	139	188	178	127	3,060

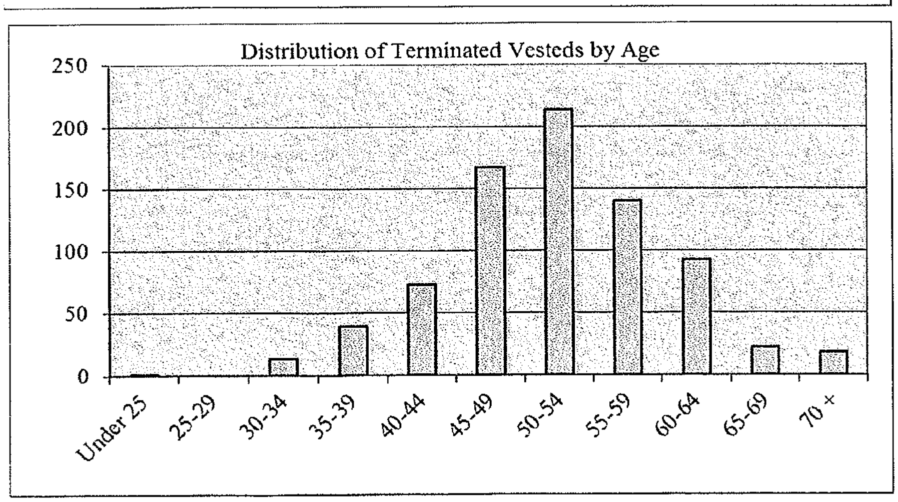




7.9 Distribution of Terminated Vested Participants

Age	Under $250	250-499	500-749	750-999	1,000-1,249	1,250-1,499	1,500-1,749	1,750-1,999	2,000-2,249	2,250-2,499	2,500-2,749	2,750-2,999	$3,000 & Over	Total
< 25			1											1
25-29														0
30-34	1	12	1											14
35-39	4	20	7	4	2	2	1							40
40-44	2	20	18	17	6	3	3	3	1					73
45-49	3	17	28	32	17	29	8	14	12	6	1			167
50-54	8	14	28	36	37	23	19	19	12	13	4		1	214
55-59	4	12	27	34	16	16	8	7	4	8	3	1		140
60-64	2	6	14	36	15	12	3	1	2	1	1			93
65-69		2	9	4	5	1			1					22
70+	2	7	5	1	2	1								18
Total	26	110	138	164	100	87	42	44	32	28	9	1	1	782





Road Carriers Local 707 Pension Fund

Supplemental Schedule Required Under ERISA and
Department of Labor Regulations
Schedule H
August 31, 2014

Line 4i - Schedule of Assets (Held at end of Year) - Continued

LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
	U.S. Government and Governmental Agencies Obligations						
	FEDERAL HOME LN MTG CORP	2.875% 02/09/2015 DD 01/07/10	USD	400,000	101	415,150	404,832
	FEDERAL NATL MTG ASSN	2.375% 04/11/2016 DD 03/04/11	USD	825,000	103	875,780	850,649
	FEDERAL NATL MTG ASSN	0.375% 03/16/2015 DD 02/06/12	USD	1,350,000	100	1,351,086	1,351,472
	FEDERAL NATL MTG ASSN	0.375% 12/21/2015 DD 11/16/12	USD	1,100,000	100	1,100,232	1,101,188
	FEDERAL NATL MTG ASSN	0.875% 02/08/2018 DD 01/07/13	USD	725,000	99	709,776	714,995
	FEDERAL NATL MTG ASSN	0.875% 05/21/2018 DD 04/15/13	USD	550,000	98	534,012	539,616
	FEDERAL NATL MTG ASSN	2.375% 07/28/2015 DD 06/14/10	USD	1,120,000	102	1,174,780	1,142,176
	FHLMC POOL #G1-4649	2.500% 01/01/2028 DD 12/01/12	USD	528,670	101	533,709	536,092
	FHLMC POOL #J2-3303	2.500% 04/01/2028 DD 04/01/13	USD	532,576	101	536,736	540,053
	U S TREASURY NOTE	2.625% 04/30/2016 DD 04/30/09	USD	1,200,000	104	1,259,373	1,244,292
	U S TREASURY NOTE	1.750% 07/31/2015 DD 07/31/10	USD	1,300,000	101	1,319,957	1,319,396
	U S TREASURY NOTE	2.375% 07/31/2017 DD 07/31/10	USD	820,000	104	863,008	853,636
	U S TREASURY NOTE	1.000% 09/30/2016 DD 09/30/11	USD	900,000	101	906,750	908,082
	U S TREASURY NOTE	0.875% 12/31/2016 DD 12/31/11	USD	1,350,000	100	1,350,316	1,356,116
	VANGUARD SHORT-TERM TREASURY F		USD	468,278	11	5,005,893	5,010,572
	Total U.S. Government and Governmental Agencies Obligations					17,936,559	17,873,167
	Mutual Fund						
	VANGUARD INSTITUTIONAL INDEX F		USD	31,644	184	4,019,730	5,830,653
	FIDELITY ADV INFL		USD	404,694	13	5,002,035	5,058,675
	Total Mutual Funds					9,021,765	10,889,328
	REIT						
	EQUITY REAL ESTATE SECURITIES		USD	51,420	113	4,004,596	5,812,526
						4,004,596	5,812,526
	Short-term investments						
	COLLECTIVE US GOV'T STIF 20		USD	10,244,802	1	10,244,802	10,244,802
	Total Investments					$ 70,324,744	$ 80,863,448

See Independent Auditor's Report.

ROAD CARRIERS – LOCAL 707 PENSION FUND
PARTITION APPLICATION

EXHIBIT 9

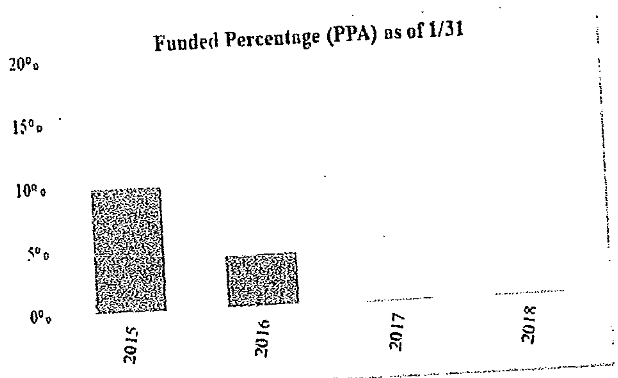
Zone Certification
As of February 1, 2015
For
Road Carriers Local 707 Pension Fund
EIN: 51-6106510/PN: 001

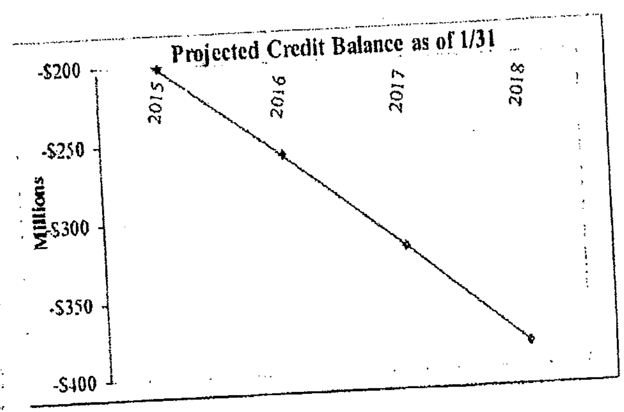
Initial Critical Zone Certification:	September 1, 2008
Adoption Period:	11/30/2008 – 8/31/2011
Rehabilitation Period:	9/1/2011 – 8/31/2024
Initial Critical and Declining Zone Certification:	February 1, 2015

Based on the following actuarial measures, the Plan is classified as "Critical and Declining Status" (a Red Zone category) as per the Multiemployer Pension Reform Act of 2014 (MEPRA).

- The Plan meets the criteria for Critical Status, and
- The Plan is projected to become insolvent in the current or next 19 years and
- The Plan's ratio of inactive to active participants is in excess of 2 to 1.

After considering and rejecting as unreasonable various scenarios intended to meet the benchmarks of the Pension Protection Act, the Trustees selected a Rehabilitation Plan intended to comply with the provisions of IRC §432(e)(3)(A)(ii). Based upon the provisions of IRC §432(e)(3)(A)(ii), the Plan is making required ~~progress in its Rehabilitation Plan.~~





This certification was prepared on behalf of the Road Carriers Local 707 Pension Fund based on employee data, asset statements and plan documents provided by the Plan Sponsor or its representatives. We relied upon the data as submitted, without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information which would have had a material effect on the results of this valuation was overlooked.

Therefore, to the best of our knowledge and belief, the information presented in this certification is complete and accurate, and each assumption used represents our best estimate of anticipated experience under the Plan.

The actuarial assumptions used are those used in the August 31, 2014 actuarial valuation.

Certified by:

[redacted]

Craig A. Voelker, FSA, MAAA, EA

[redacted]

April 10, 2015

cc: Secretary of the Treasury- EPCU@irs.gov

On Behalf of Plan Sponsor:

Board of Trustees
Road Carriers Local 707 Pension Plan
14 Front Street
Hempstead, NY 11550
Phone (516) 560-8501

Assumptions Used in Actuarial Certification

Mortality

Healthy: RP-2000 healthy mortality set forward three years using Scale BB improvement from 2000

Disability: RP-2000 disabled mortality set forward three years using Scale BB improvement from 2000

Withdrawal: Crocker-Sarason-Straight T-3

Disability: SOA 1973 Transactions, XXVI

Retirement Age

Actives: Actives: Sample rates as follows with an additional 70% when participant is first eligible for an unreduced Early Retirement:

Age	Rate	Age	Rate
55	2%	61	10%
56	2%	62	30%
57	20%	63	10%
58	5%	64	10%
59	5%	65	100%
60	10%		

Inactive Vested: Based upon Pension Service as follows:

- Less than 15 years: age 65
- 15-25 years: age 60
- 25 or more years: age 57 or immediately if over age 57

Future Employment: See attached cash flow

Definition of Active: Any participant completing 250 hours of service in covered employment in a calendar year, excluding those who have retired as of the valuation date

Percent Married: 80%

Age of Spouse: Females are 3 years younger than their spouses

Net Investment Return: 5.75%

Administrative Expenses: $1,350,000 payable in the middle of the year, increasing 3% per year thereafter

Load: A 5% load to active accrued liability and normal cost to cover reciprocal retirements.

Future Contributions (Non-YRCW): Contributing employers other than YRCW will continue to increase contributions pursuant to the Rehabilitation Plan. After 8/31/2017, no increases are expected.

Future Contributions (YRCW): Contributing employer YRCW will not increase its future hourly contribution rates.

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Average Contribution Rate	See attached cash flow
Actuarial Value of Assets	The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a four year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Traditional Unit Credit