

**Alpha Protective Services, Inc.**  
**c/o Hays Financial Consulting, LLC**  
**3343 Peachtree Road, Suite 200**  
**Atlanta, GA 30326**

To: Former Employee of Alpha Protective Services, Inc (Ft. Bragg):

Date: January 10, 2013

Re: **Alpha Protective Services Union 401(k) Plan**

Hays Financial Consulting, LLC is serving as benefits consultant to bankruptcy trustee, Neil Gordon (the "Trustee"). We have had a lot of calls from former employees asking to withdraw funds from the Alpha Protective Services Union 401(k) Plan (the "Plan").

Please know that we are diligently working in an attempt to speed the process of distributing the funds. However, the Trustee is not the Trustee of the 401K Plan and is only serving in an administrative capacity to make distributions. In addition, all 401(k) plans are governed by ERISA and the U.S. Department of Labor ("DOL") and the Trustee must follow the detailed rules and procedures required by DOL and ERISA. Most importantly, please understand that your funds are safe and are segregated from the bankruptcy estate. All of your funds are still invested in the funds in which you invested and continue to earn interest or dividends and fluctuate with the investment market as normal.

The Plan was terminated on December 21, 2012 which was immediately after the bankruptcy Judge ordered the conversion to Chapter 7. Before the process of distribution can begin, compliance testing is required to be done as well as a board resolution finalized to close the Plan. An audit of the Plan is also required to determine that all funds were properly accounted for and deposited into your account. Once the audit and testing is complete, the Plan Administrator, Transamerica, will send each plan participant a Distribution Request form to be completed and returned to them within a 30 day window. Those participants who do not respond will have to be located before any distribution can be made. Once all Distribution Request forms are received, the actual distribution of the funds will begin. We estimate that this will occur no sooner than 90 days from Plan termination date which means you may not have access to these funds until March or April.

The Trustee understands that many of you are in need of your funds as quickly as possible. However, your 401(k) funds are not accessible until all requirements of DOL have been completed. No normal withdrawals are possible at this time.

There is, however, a possibility of taking a "hardship withdrawal". The definition of a "hardship withdrawal" is defined and governed by ERISA. The following six hardships are the only conditions that would be considered for this type of withdrawal:

- Expenses for medical care previously incurred by the employee, the employee's spouse, or any dependents of the employee or necessary for these persons to obtain medical care;
- Costs directly related to the purchase of a principal residence for the employee (excluding mortgage payments);
- Payment of tuition, related educational fees, and room and board expenses, for the next 12 months of postsecondary education for the employee, or the employee's spouse, children, or dependents;
- Payments necessary to prevent the eviction of the employee from the employee's principal residence or foreclosure on the mortgage on that residence;
- Funeral expenses; or
- Certain expenses relating to the repair of damage to the employee's principal residence.

If someone requests a hardship withdrawal, they must provide detailed documentation, such as foreclosure notices, before the withdrawal will be allowed.

The bankruptcy Trustee has contacted the DOL and requested special consideration to speed withdrawals in this case and will continue efforts to distribute funds as quickly as possible. We will keep you informed, through this website, as things progress.

Best regards,  
Brad Van Etten  
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