

January 13, 2016

Re: Update on Boeing-Wichita settlement

Dear Class Member,

You are receiving this letter because you are a member of a class action settlement with Boeing. We are writing to inform you of the status of this matter, including the processing of claims and distributions from the settlement fund.

The U.S. District Court for the District of Kansas approved the settlement on September 3, 2015 and the judgment became final on October 29, 2015. On November 13, 2015, Boeing wired the settlement funds to Gilardi & Co., the Claims Administrator. Before any funds can be distributed, the claims administration work and a full tax analysis must be completed. In the interim, the settlement funds are currently invested in an interest-bearing account for the benefit of the class.

Claims administration work. Gilardi is currently processing claims for healthcare reimbursement and disputes regarding class members' pension amounts. Healthcare reimbursements and pension amount disputes are analyzed separately. Class members are being contacted to resolve deficiencies on claims and disputes.

Internal Revenue Service ruling. The settlement fund has retained tax counsel in an attempt to make sure that payments from the settlement fund are taxed appropriately.

In December, we met with Internal Revenue Service (IRS) officials and they agreed to formally review the proposed tax treatment of the distribution and to issue a tax ruling. Without the possibility of a favorable ruling from the IRS, the settlement shares will be taxed at full payroll (FICA and FUTA) tax rate. The process by which a tax ruling can be obtained from the IRS will take time. We estimate that the IRS will not issue a ruling prior to this coming June.

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After we receive a ruling from the IRS, we will begin processing the pension payments. The fees for tax counsel are paid out the portion of the fund set aside for administrative costs and expenses.

Conclusion. We are aware that the distribution process is taking longer than expected. Please be assured that all those involved are working hard to make sure everyone receives what they are eligible to receive, and as quickly as possible. Some things, such as consulting with the IRS, take much more time than we would wish. The additional time is warranted, however, if it brings certainty to all of you, as well as the possibility of several million dollars in payroll tax savings.

We know that you have waited a long time for the litigation in this case to be concluded and we appreciate your patience and thank you for your understanding as the issues involved with administering the settlement fund continue to be resolved. For more information and to access documents, please visit the class website at: www.wichitaretirementclasssettlement.com, or call Gilardi & Co. toll-free at (877) 290-8514.

Sincerely yours,

Arlus J. Stephens
Counsel for Plaintiffs