

alleviate the growing imbalance in our republic, and stem the social unrest that threatens the public landscape? The challenge for Washington is to spread the benefits of economic growth more equitably – now enjoyed inordinately by those at the top – without undermining the **economy** that supports it. All Americans deserve a chance to reap the benefits disproportionately afforded to the wealthy. Please, I ask each of you for your continued support to fight and protect our rights, our union and our country. This is not our first challenge, but it very possibly could be, I believe, the most important.

## RIGHT TO WORK

I am very proud of the 200 members of Local 324 who volunteered and participated in poll watching during the Primary. The labor movement covered all 2,900 polling areas with nearly 3,500 volunteers.

A special thanks to **Lisa Canada, Jeff Sawyer, Earl Van Ripper** and **Shawn Schoenherr**, who led the charge, and to all the directors, agents, staff and most importantly – our members.

Actions against any and all that seek to harm the IUOE will be met head on. We will continue to fight back against the forces that seek to strip us of:

- our voice
- our vote
- our freedom of speech
- the right to organize
- the right to bear arms

The press, the Detroit News, Free Press and others throughout the state, attempt to divide members from its leadership, while putting the economic woes of Michigan squarely on the backs of unions. This state was built with union hands. Respect should be given where respect is deserved, namely the middle class that made Michigan strong. Lyndon Baines Johnson once said, “There are no problems we cannot solve together, and very few that we can solve alone.” Rather than pointing fingers, lets work together to bring Michigan back to the strong economic state that it once was.

## 1001 WOODWARD

We would also like to provide you with an update on the 1001 Woodward Building in downtown Detroit. As you may recall, the building was at one time an investment asset of the Pension Fund. In late 2003, Fifth Third Bank, as the qualified investment manager for the Pension Fund, decided to sell the building. The building was sold pursuant to a land contract which was unfavorable to the Fund. The Pension Fund's Trustees filed a lawsuit against Fifth Third for breach of fiduciary duty under ERISA in November 2007. The Trustees have asserted that Fifth Third's decisions regarding the sale of the building as well as the conduct of the sale were imprudent. In December 2007,

the Department of Labor (“DOL”) also filed suit against Fifth Third Bank for breach of fiduciary duty regarding the sale of the 1001 Woodward Building. Significantly, the Trustees are not named in the DOL's lawsuit. We applaud the DOL's decision to hold Fifth Third Bank and its advisors accountable for the losses they caused to the Pension Fund as a result of their breaches of fiduciary duty.

The Pension Fund Trustees are also monitoring developments regarding another investment manager for the Fund, AA Capital Partners, Inc. As a result of an audit by the Securities and Exchange Commission, irregularities were discovered at AA Capital relating to expenditures by certain principals of the firm. Those expenditures were not reported in the audited financial statements and were contrary to the representations made to the Pension Fund. In September 2006, AA Capital was placed in court-ordered receivership. The Pension Fund continues to work with the court appointed Receiver of AA Capital to recover assets for the benefit of the Pension Fund and other AA Capital clients.

While the Pension Fund is prevented by court order from suing AA Capital and its principals, the Receiver of AA Capital has filed a lawsuit against the principals of AA Capital seeking recovery on behalf of the Pension Fund and other investors. In addition, the Receiver is seeking recovery from professionals who provided services to AA Capital for the significant damages they caused to AA Capital and the investors. Notwithstanding AA Capital's losses due to these financial irregularities, the good news is that most of the investments made by AA Capital on the Pension Fund's behalf are performing well. In fact, several of the direct investments made by AA Capital are expected to produce healthy returns meeting or exceeding benchmarks. **For example, a hotel development project in Hawaii is expected to produce exceptional returns.** In addition, many of the investments made by AA Capital are invested in private equity funds managed by different investment managers. These investments are expected to hold their value or generate solid returns. We will continue to keep you up to date as more information is made available.

As we celebrate Black History Month, I leave you with a quote from Martin Luther King, Jr. which is very apropos, still today: “In our glorious fight for civil rights, we must guard against being fooled by false slogans, as ‘Right-to-Work’. It provides no ‘rights’ and no ‘works’. Its purpose is to destroy labor unions and the freedom of collective bargaining. We demand this fraud be stopped.”

In closing, I thank you for your continued support. We are always open for your questions, suggestions and comments.

Fraternally submitted,  
**John M. Hamilton**  
 Business Manager and  
 General Vice President