

April 20, 2009  
**VIA Facsimile**

Steven Montagna, Plan Manager  
City of Los Angeles Deferred Compensation Plan  
Personnel Department/Employee Benefits Division  
200 North Spring Street, Room 867  
Los Angeles, CA 90012

Re: City of Los Angeles Deferred Compensation Plan– Contract Discontinuance  
Group Funding Agreement (“GFA”) Numbers: GC-150099

Dear Stephen:

As you may know, the County’s GFA with Hartford will expire on June 30, 2009. As mentioned during the April 1, 2009, conference call, the County must elect a discontinuance option with respect to assets held in the General Account Option. Additional details regarding the County’s discontinuance options are described below.

As of the Date of Discontinuance, no further contributions will be accepted under the GFA. Assets held in the variable investment options under the GFAs, less any premium taxes not previously deducted, will be paid within 7 days or a later date agreed to by Hartford.

In addition, all General Account Option values that are the Balance at Discontinuance as described in the GFAs will be paid in accordance with the payment option you elect. Under the terms of the GFAs, you have three payment options. These payment options are more fully described in the GFAs. Below is a summary of your options. You may elect to receive:

- Option 1:** Six equal installments annually over a period of five (5) years;
- Option 2:** The Balance at Discontinuance, less withdrawals related to Benefit Payments (subject to Hartford’s ability to defer payment for a period of up to twelve (12) months); or
- Option 3:** The discounted present value of the six (6) equal installments described under Option 1 in a single lump sum payment subject further to the terms of the GFA.

A market value adjustment may apply under Option 3. Additional information regarding these options, including the amount of the market value adjustment under Option 3, is described in the enclosed Discontinuance Election Form. **Please provide Hartford with your election as soon as possible. If the County does not make an election, pursuant to the terms of the GFAs we will pay the General Account Option Balance at Discontinuance in accordance with Option 1.**

Please contact me directly with any questions.

Sincerely,

Eric Judge  
Director  
Retirement Plans Group