

AUGUSTANA COLLEGE

Notice to Employees Changes to Direct Transfer Rules for 403(b) Plans

Dear Employee:

The Internal Revenue Service recently issued final 403(b) regulations that could affect your 403(b) account under our retirement and or/tax-deferred annuity plan. As of September 25, 2007, direct transfers from your 403(b) account with a provider that is approved under our plan can only be made to providers who are approved under our plan, or to providers who are approved by the institution to accept the transfer. The providers that are approved under by Augustana College Defined Contribution Plan are: none. The providers that are approved to accept transfers are: none.

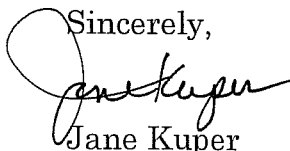
Direct transfers made after September 24, 2007, to unapproved providers could result in severe tax consequences, including taxation of the entire amount of the transferred to the unapproved provider.

Important Note: The direct rollover rules have not changed. When you are entitled to take a distribution from your 403(b) account, you may continue to roll over your distribution to another 403(b), 401(k) provider or to an IRA (subject to the provisions of our 403(b) plans rules and IRS regulations) as long as the receiving plan will accept the rollover.

Since we are not able to provide legal or tax advice, you should consult your tax advisor for more information.

Please contact the Human Resources Office if you have any questions.

Sincerely,



Jane Kuper

Vice President for Human Resources

December , 2007