

Memo

TO: Participants in Schuster Company Inc. 401(k) Profit Sharing Plan

FROM: Schuster Company Inc., Plan Sponsor

DATE: October 21, 2009

RE: Fund Replacement

Over the years your 401(k) plan has been a great way to save for retirement. Our goal is to continue helping you build a secure financial future by providing the best and most appropriate investment options to meet your needs. In order to reach this goal, the trustees of the plan (Security National Bank) periodically review the design of our plan and the investments offered.

In addition to individual fund selection and life style fund options, SNB has now created and is offering a new model portfolio option that we will be adding to our plan.

While most participants are able to determine their risk tolerance – it is very difficult for some to build an appropriate asset allocation strategy. The reasons for this vary; they don't have the time to deal with it, or they don't feel that they have the financial expertise to make the correct decisions, etc. The new model portfolios will allow participants to select the right asset allocation strategy that fits their needs.

How model portfolios work

Model portfolios differ from the Life Cycle funds in that Life Cycle funds take into account the number of years a participant has until retirement. Each Life Cycle fund is specifically designed for a target retirement date – 2040, for example. The asset allocation within the Life Cycle fund gradually adjusts the fund's investment mix to a more conservative approach over time.

Managed Model Portfolios: Managed Model Portfolios contain the majority of the same investments employed in Security National Bank's Wealth Management Division individual client portfolios and are constructed using the identical methodology and philosophy. The seven different portfolio strategies range from the very conservative 100% fixed income portfolio, to the aggressive 100% equity portfolio.

Current Income – 100% Bonds
Income with Growth – 20% Stocks, 80% Bonds
Limited Volatility – 40% Stocks, 60% Bonds
Balanced – 50% Stocks, 50% Bonds

Growth & Income – 60% Stocks, 40% Bonds
Capital Appreciation – 80% Stocks, 20% Bonds
Aggressive Growth – 100% Stocks

Model portfolios allow the participants to choose the level of volatility they are comfortable with and then based upon that selection fit it into one of the seven models listed above.

According to reports from Security National Bank, the model portfolios are very attractive because they are professionally managed and are automatically rebalanced for the participant.

It still remains the responsibility of the participant to move their allocation from one model portfolio to another in order to increase or decrease their risk tolerance.

Other Changes to the Plan

As a result of adding the models to our plan, Security National Bank is also recommending that we adjust our individual selected funds to line up with the model portfolios. Adding the model portfolio feature to our plan will require that we add 9 new funds to our individual investment selections. In contrast, we will be looking at replacing approximately 5 of our existing mutual funds. A review process of their overall level of performance was conducted and, therefore, we will replace the funds on the date listed below. The funds that were evaluated for closing are listed below as well as where the existing balance will be transferred to on the pre-announced transaction date.

Attached you will find an enrollment form including the following changes. You will notice that some of the funds have remained the same.

Additional Individual Mutual Funds being added as of 12/01/2009

American Beacon Large Cap (AADEX)
Goldman Sachs Large Cap (GSLIX)
Amana Trust Growth (AMAGX)
T Rowe Price Growth Stock (PRGFX)
Vanguard Mid Capitalization Index (VIMSX)
Westport I (WPFIX)
Vanguard Total Bond Index (VBMFX)
Artisan International (VBMFX)
Goldman Sachs Satellite Strategies (GXSIX)

Individual Mutual Funds being replaced as of 12/01/2009

Sound Shore (SSHFX) and transferring the existing account balances to the Goldman Sachs Large Cap Value (GSLIX)

Brandywine (BRWIX) and transferring the existing account balances to the WestPort (WPFIX)

SEI Daily Short Duration Government Bond Fund (TCSGX) and transferring the existing account balances to the Vanguard Total Bond Index (VBMFX)

Royce Pennsylvania Mutual (PENNX) and transferring the existing account balances to the Vanguard Mid Cap Index (VIMSX)

Harbor Capital Appreciation (HACAX) and transferring the existing account balances to the T. Rowe Price Growth Stock (PRGFX)

You are being notified in advance of any funds being closed and transfer actions in order for you to be able to determine if you want the delete/transfer to occur automatically or if you want to manually transfer to another fund option. Should you want to make changes to your investments before the transfer is automatically initiated, they can be made by:

- Voice Response Unit at 800/317-9437 (24 hours a day)
- Information Hotline at 800/895-5045 (Monday-Friday 8:00 AM to 5:00 PM)
- Internet at www.snbwealth.com or www.snbonline.com, On-line 401(k)

Should you want to make any changes to your future contributions as of 12/01/2009, use the attached new enrollment form and return to Sondra Pageler by 11/27/2009.

If you have any questions please contact:

Alex Pick
Security National Bank
800-475-4468

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