

Growing Forests for our Future.

*Made in the U.S.A!*



## NEW DEVELOPMENTS IN MOONLIGHT FIRE LAWSUITS FAVORABLE TO SPI

Mark Emmerson

**A**s we have reported before, our defense in the Moonlight Fire case in California has caused SPI to expend a significant amount of resources. Recently, however, we won a state superior court case which provides new hope that justice will prevail at least in our battle with the state, if not the Federal Government.

First, let me provide a little background to refresh your memory. In 2007, SPI purchased timber from a private landowner in Plumas County, California, and we hired a contract logger to log the sale for us. Unfortunately, the Moonlight Fire broke out in the area where the logger was operating, eventually spreading to other private lands and onto the Plumas National Forest, ultimately burning 45,000 acres of federal land.

Federal and state fire investigators alleged that the logger started the fire, even though there was no solid evidence to support that claim, and overwhelming evidence that the fire started elsewhere. The Federal Government sued us for damages to national forest land, and the State of California (Cal Fire) sued us for the cost of putting out the fire. Due to an unprecedented ruling by a federal court judge that we could be held responsible for the fire even if neither SPI nor our logger ignited it, our only viable alternative was to settle that Federal case rather than fight it in court. As you have already seen or heard, under the terms of the settlement we will pay \$55 million to the federal government and transfer 22,500 acres of SPI timberland to the government for public use.

In the state case, however, Judge Leslie C. Nichols held that the state could not prove our logger started the fire. Further, he ruled that the state must pay our legal fees for this case – totaling some \$32 million for all of the defendants, of which \$24 million would go to SPI. This was a major victory for us, particularly considering the judge's harsh wording about the way the government conducted the investigation and litigation. He stated "The Court finds that Cal Fire's actions initiating, maintaining, and prosecuting this action, to the present time, is corrupt and tainted." He went on to say the state "engaged in a systematic campaign of misdirection with the purpose of recovering money from Defendants."

While we believe that the vast majority of state and federal workers have high standards, the investigators on this fire did not live up to that standard. In addition, the state's lawyers at the Department of Justice were criticized by the judge for withholding key documents and other acts of misconduct.

To summarize, we settled the case with the federal government, and won in two separate superior court rulings against the state. We are reviewing our options whether the federal case can be reopened, and anticipate an appeal by the state in their case. It will be some time before this case comes to final resolution, but we are encouraged by the state court ruling that we ultimately will be found not liable for the Moonlight Fire. Judge Nichols's opinion can be found on the SPI web site at [www.spi-ind.com](http://www.spi-ind.com).

Best wishes to you and your family.

*Mark*

# CENTRALIA MILL CELEBRATES 3 YEARS OF NO LOST TIME ACCIDENTS.

On December 18, 2013 the Centralia mill celebrated three years with no lost time accidents. The Centralia crew has demonstrated a strong commitment to safety to achieve this impressive milestone. Division Manager Scott North stated "We are proud of the crew members' commitment to not only their safety but to one another's safety - they deserve praise for this accomplishment." "With the crew's dedication and hard work we will continue this record setting pace" he added.

*Congratulations to all of the Centralia crew members.*



## INFORMATION SECURITY: Phone Scams

Many companies have experienced a recent increase in phone scams or wireless devices and land lines, which are a threat to our credit information as well as our company network and its information assets.

These scams are initiated when an "attacker" calls you and phishes for information (such as your computer log-in or IP address) or they ring your phone only once, hoping you call them back, which allows them to fraudulently charge your phone bill.

**Information Phishing Calls:** The "attacker" calls you pretending to be from SPI, Microsoft or another third party informing you that your PC may be at risk. They proceed to ask you for your computer log-in information, address, Internet carrier, home phone or other sensitive information to gain access to your computer. Once you provide this, your computer and potentially your personal information are vulnerable to attack.

**The "One Ring" Cell Phone Scam:** The "attacker" calls you using an auto-dialing computer program which allows the phone to ring once. You see a missed call from a number you don't recognize and decide to call it back. Those who call the number back are connected to a billable "fraudulent call center" located overseas resulting in additional fees added to their phone bill. The scam calls usually come from outside the United States; examples include numbers with area codes 268, 809, 876, 284, and 473.

### Prevention Tips:


- Ignore incoming or missed calls from phone numbers you don't recognize. Do not return the call.
- Be wary of unsolicited phone calls (also known as cold calls) asking for sensitive information.
- Be suspicious of alarmist messages and threats of viruses, account closures or potential damage to your computer system.

**Note:** Legitimate financial and other organizations will never ask you to confirm sensitive or personal information by email or phone.



# EXAMPLE OF ANNUAL RETIREMENT CERTIFICATE

On March 14th, your supervisor will give you a Retirement Certificate that details your 401(k) contributions as well as Match Contributions and Company Contributions to your retirement account.

	<b>SIERRA PACIFIC INDUSTRIES EMPLOYEES' RETIREMENT PLAN</b>	
	<b>RETIREMENT CERTIFICATE FOR 2013</b>	
		Red Bluff Millwork 11111/22222
<b>COMPANY CONTRIBUTION</b> (100% VESTED)	<b>401(k) EMPLOYEE CONTRIBUTION</b> (100% VESTED)	
<b>\$1,781.76</b>	<b>\$3,002.80</b>	
<b>ADDITIONAL COMPANY CONTRIBUTION</b> (100% VESTED)	<b>401(k) COMPANY MATCH</b> (100% VESTED)	
<b>\$682.83</b>	<b>\$1,500.00</b>	
You are currently vested 100% in your Company and 401(k) Match Accounts.	The total Contribution to your Sierra Pacific Industries Employees' Retirement Plan for 2013 is <b>\$6,967.39</b> .	
<small>This statement is issued for information only. Specific details of the Plan are included in the Plan Document available from the Sierra Pacific Industries Human Resources Department at P.O. Box 496011, Redding, CA 96049. The Vanguard Group is the Trustee of the Plan. Inquiries regarding account balances or asset allocation can be made by calling the Vanguard Group at 1-800-523-1188.</small>		

## HERE'S A LOOK AT EACH CONTRIBUTION BOX:

SPI creates a pool of money called the Company Contribution. This is shared among eligible crew members based on your hours worked, years of service and earnings.

<b>COMPANY CONTRIBUTION</b> (100% VESTED)
<b>\$1,781.76</b>

For 2013 SPI will make an Additional Company Contribution. This is above the regular annual contribution.

<b>ADDITIONAL COMPANY CONTRIBUTION</b> (100% VESTED)
<b>\$682.83</b>

401k is the money you add to your retirement account each pay check by payroll deduction.

<b>401(k) EMPLOYEE CONTRIBUTION</b> (100% VESTED)
<b>\$3,002.80</b>

SPI contributes to your retirement by matching the money you put into your 401k. Up to \$1500 each year.

<b>401(k) COMPANY MATCH</b> (100% VESTED)
<b>\$1,500.00</b>



# SHASTA CASCADE LOGGING CONFERENCE 2014

SPI Forester, Ted James, received this year's John Jarrett Award at the Sierra Cascade Logging Conference. The award is given for outstanding contributions to the Conference. Ted has been the Conference Education Chair for several years and has more than doubled the number of students who attend both the Conference Education Day held during the show and the In-Woods Education Day where students travel to an active logging site and learn about forest operations later in the spring. Congratulations, Ted, for an outstanding Job!



One of several educational programs at the Conference. This panel for Licensed Timber Operators (LTO) was moderated by SPI District Manager, Mike Mitzel, and featured 3 speakers from California Department of Forestry, Water Quality, Department of Fish and Wildlife, and 3 LTO's.



## BENE-FACTS

**A lot of pharmacists are now providing Flu, Tetanus, Shingles and Pneumonia immunizations right at your local pharmacy.**

Just like with prescriptions, in order to receive reimbursement from the Health Plan, you need to:

1. Use your CareMark/CVS discount card at the pharmacy, and
2. Mail your receipt (with your ID number) to the Health Benefits Department within 6 months of purchase

**Call the Health Benefits Department at (530) 378-8200 with any Questions.**





# THE NEW AMERICAN HOME

For the fourth time, Sierra Pacific Windows was chosen as the featured window and door product manufacturer for the New American Home at the International Builders Show (IBS) held in Las Vegas in February. Sierra Pacific was also featured in the 2009, 2010 and 2013 New American Homes.

The New American Home serves as the official showcase house of the International Builders Show. Since its inception in 1984, The New American Home® has been designed and built to demonstrate “Builders’ Best Practices:” concepts, materials, designs and construction techniques that can be replicated in housing. Its mission is to show that housing performance can be incorporated into the most simple or most complex homes, and that performance is equally as important as aesthetics.

The 2014 New American Home®, was built in the exclusive foothills of Henderson’s Sky Terrace housing development. This desert contemporary multigenerational show home takes full advantage of the spectacular views of Las Vegas. Cutting-edge energy efficiency, sustainability and a stunning desert contemporary style with transitional interior designs are the keystones of the home. It displays the innovative design concepts of the future of home building and incorporates family-style design.

In keeping with increasing demand for energy and resource efficiency, the home incorporates the latest innovations in green building and construction technology, including a state-of-the-art energy efficiency package featuring Sierra Pacific Windows and Doors with high performance glazing systems. The home’s green building features include a solar water heater, photovoltaic panels and closed spray-foam insulation that also reduces sound transmission through plumbing walls. It includes a weather-sensitive irrigation system that automatically adjusts usage relative to the immediate climate, tank-less water heaters, hydronic air handlers, intelligent fireplaces and sustainable building materials.

Approximately 12,000 people toured the home during the IBS. Presentations regarding the Sierra Pacific windows and doors in the home were well done and highlighted the features and benefits of our products. In addition, Sierra Pacific Windows held a reception at the home attended by over 400 customers.

Sponsorship of the New American Home provides a tremendous opportunity for Sierra Pacific Windows to showcase our products to builders, architects, designers and other potential customers. Sierra Pacific Windows and Doors will also be featured in the 2015 New American Home.



Sierra Pacific employees greet customers and distribute name badges at the Sierra Pacific Customer Appreciation Event held at The New American Home 2014 on February 5th.



Customers attending the open house

# CONGRATULATIONS!

Thank you for your continued support.  
Glad to have you as part of our SPI family!

Red

George

Maul

## 35 Years!

Pat McEuen  
Frank Smith

Main Office  
Quincy

## 30 Years!

Darren Dearman  
Randall Markwith  
Cindy Martin  
Thomas Modrell  
Jim Paul Jr  
Kendall Pierson  
Jon Robinson  
Ernie Sutcliffe

Anderson Sawmill  
Burney  
Red Bluff Millwork  
Forestry  
Trucking  
Main Office  
Quincy  
Shasta Lake

## 25 Years!

Donald Cavalli  
Richard Grunder  
Tim Halkyard  
Manuel Hernandez  
Henry Lennick  
Grant Mitchell  
David Morgan  
Craig Ostergaard  
Martin Polanco  
Lonnie Romine  
Alan White

Anderson Sawmill  
Anderson Sawmill  
Burney  
Lincoln  
Anderson Fab Shop  
Lincoln  
Richfield Millwork  
Forestry  
Richfield Millwork  
Aberdeen Sawmill  
Burney

## 20 Years!

Todd Bower  
Zach Briggs  
Paul Carnaghe

Richfield Millwork  
Windows Division  
Window Sales -  
Oregon  
Window Sales - Irvine  
Red Bluff Millwork  
Anderson Sawmill  
Trucking  
Lincoln  
Main Office

Dave Connair  
Rick Drake  
Daren Littlepage  
Doug Miller  
Rick Sage  
Pete Scala

Felix Trejo  
Randy Willis

## 15 Years!

Salvador Alvarez  
George Anderson  
Manuel Avelar  
James Buckley  
Leslie Clement  
Cyndi Crum  
Bill Fairbanks  
Bob Harmon  
Tim Hubbs  
Duane Johnson  
Nalin Maxfield

Barry McDonald  
Ricardo Mendoza  
Tani Milleman  
Ray Pulsifer  
Paul Smith  
Leo Valle Jr  
Jesse Warner

## 10 Years!

Terry Anders  
Susan Arredondo  
Jon Aydelott  
Jose Bandilla  
Alejandro Barajas  
Jim Beguin  
Roy Blackwell  
Tom Bratt  
Kerry Brumitt  
Felix De Santiago  
Heather Hampton  
Josh Howes  
James Knight  
Jon Lamb  
Micah Lee  
Jose Lopez  
Jose Melgoza  
Travis Merriman  
Carl Studhalter  
Miguel Vargas Sr.  
Jesse Velez  
Sammy Vonglakhone  
Duane Waltmire

Main Office  
Sonora

Richfield Reman  
Lincoln  
Lincoln  
Windows Division  
Quincy  
Chinese Camp  
Arcata  
Red Bluff Millwork  
Quincy  
Red Bluff Millwork  
Window Sales -  
Salt Lake, UT  
Anderson Sawmill  
Windows Division  
Sales & Service  
Lincoln  
Red Bluff Millwork  
Red Bluff Millwork  
Quincy

Trucking  
Burney  
Oroville  
Oroville  
Richfield Millwork  
Anderson Fab Shop  
Oroville  
Aberdeen Sawmill  
Lincoln  
Oroville  
Sales & Service  
Sales & Service  
Richfield Millwork  
Aberdeen Sawmill  
Richfield Millwork  
Oroville  
Lincoln  
Quincy  
Lincoln  
Lincoln  
Aberdeen Sawmill  
Quincy  
Window Sales - Irvine

## 5 YEAR ACHIEVEMENTS

"Welcome to the club! Looking forward to having you around for many more years!" Red

Jesse Canida

Jacob Carpenter

Cody Guertin

Jared Hickman

Josh Hobbs

Jeremy Kitchen

Lynn Mathis

Robert McLeod

Fred Moore Jr

Johnny Papapetrou

Troy Scott

Raymond Welch

Sonora

Lincoln

Lincoln

Sonora

Lincoln

Lincoln

Burlington Sawmill

Chinese Camp

Burlington Sawmill

Chinese Camp

Lincoln

Lincoln

# WWPA (WESTERN WOOD PRODUCTS ASSOCIATION) HI-Q GRADER RECOGNITION PROGRAM.

Each year, WWPA identifies individual certified graders with high grading proficiency over a yearlong performance schedule and provides this information to participating mills. This is a grader recognition program and is not easy to achieve. It is to be conducted on a calendar year schedule, commencing January 1, 2013 to December 31, 2013.

Sierra Pacific Industries has three graders in company that will receive the WWPA HI-Q Award for 2013.

**We would like to CONGRATULATE the following for this award, achievement, hard work and grading consistency.**

1. Raymond Roberts from Lincoln.
2. Steven Shoesmith from Shasta Lake.
3. Joshua Ansures from Shasta Lake.



Raymond Roberts



Steve Shoesmith

Josh Ansures

## The WWPA criteria for this award is;

1. No more than 5% spread each year above/below grade range in each item, based on official WWPA Rules.
2. On monthly grade inspections, the low end range must not be more than 5% below grade, except as provided in "4" below.
3. On monthly grade inspections, the high end range should not be more than 5% above grade, except as provided in "4" below.
4. Monthly inspections by WWPA inspectors must show grader performing within a range as described above. Exception: in one monthly inspection per year, in any one item where no less than 1000 board feet is found to be no more than 7.5% below grade, or 7.5% above grade. In any event, all below-grade and above-grade volume would be included in the yearly total inspected, and average grade still must meet qualifying criteria described above.



# RETIREES



## Wyvon Alexander,

won't be grading cutstock anytime soon as he has retired from his Cutstock Grader position at Red Bluff Millwork after almost 25 years. Hunting, fishing and working with cattle are on his retirement list. A trip to the Grand Canyon is something he has always wanted to do and will now become a reality. Don't forget your camera, Wyvon!



## John Barchus,

after 10 years at Sonora, has retired from his Millwright job. He plans to move to Shasta Lake where he has plenty of improvement projects planned on his home. He will be doing lots of hunting and fishing including a 2-3 week elk hunting trip to Oregon. Have fun, John, and leave a few for the rest of us!



## Kerry Bellamy,

retired from Quincy as a Construction Millwright after 18 years with SPI. He will travel and spend time with grandkids. Camping and fishing are on the must-do list and he is considering taking up golf. As a last resort, he may get a part-time job if he gets bored. Remember to yell "FOUR," Kerry



## Anita Bunnell,

plans to relax after retiring from her Shipping Supervisor position at Arcata. She's been with us for 35 years. She will spend time with her granddaughter and plans an Alaska trip to visit her sister. Working in her greenhouse, hunting in Idaho and ocean fishing are things she's looking forward to. Have a great time, Anita!



## William Farmer,

is looking forward to retirement after 14 years as a Fabricator at the Fab Shop. He'll spend much of his time hunting and fishing, most of it from his beloved jet boat. His grandchildren will occupy a bunch of his time as well. We are jealous, Bill!



## John Fowler,

a loader operator in Burney has retired after almost 28 years. His retirement plan is simple...move to warmer climate and spend his time fishing on his new river boat he plans to buy. What a great plan, John!



## Margarite Fusaro,

has retired from her Support Staff position in Health Benefits, Anderson, after 20 + years. She plans to see her grandkids more often and do some hiking and traveling. She says her plans include gardening and preserving what she and her husband grow, and smoking the fish they plan to catch in their smoker. Have fun, Margarite!



## David Harcus,

recently retired from his Timber Manager position after 30 years in Lincoln. Dave plans to travel the world with his wife, Eva, including a trip to New Zealand where they met. They will also spend time at their cabin in Idaho. It won't all be fun and games as he has a few work projects planned at home and in the woods. Have fun, World Traveler!



## Jeffrey Mose,

has worked at Quincy in his Millwright position since 1999. His retirement plans include spending time with grandkids and enjoying the great outdoors in Ashland by hunting, fishing and skiing. Sounds like a great retirement, Jeff!



## Donald Rudd,

retired from his Gang Edger Operator position in Quincy after 22 years. He says his plans are simple and it sounds like he has prioritized his list. He's going to take it easy, do lots of fishing and cut a little firewood. Have fun, Don, and firewood, in moderation, is always good therapy and exercise!



## Kenneth Westlund,

after 34 years at Burney, is retiring from his Shovel Operator position. He plans to spend time with grandchildren, make good use of his fishing license and then tackle his growing list of honey-do's. Good luck, Kenneth, and enjoy your retirement!

## Look who we caught talking shop!

Red and Mike Pihl from Ax Men.

Red always has time for anyone, doesn't matter who you are. He spent an hour with Mike just talking about the timber industry in California and in Oregon.



## Keep in touch with us on Facebook!

SPI is active on Facebook and Twitter and we update often with exciting news & fun facts, fire updates, employment opportunities and more!

Scan this barcode with your smart phone and join us today or find us on Facebook under Sierra Pacific Industries.

Do you have photos you would like to have included on Facebook or SPI-TV? Send them to: [jlittle@spi-ind.com](mailto:jlittle@spi-ind.com)



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# Good News about your Sierra Pacific Retirement Plan

We are proud of our crew members and the commitment and dedication you demonstrate. By offering a great retirement plan, we provide a benefit that helps you build financial security so you can enjoy your retirement years.

On March 14, 2014, in addition to the 401(k) Match, Sierra Pacific will make a Company Contribution to the Retirement Plan. This contribution is a pool of money that is shared among eligible crew members based on the number of hours worked, years of service and annual earnings.

### **Company Contribution**

Contributing \$.77 per eligible hour, as we have in the past.

### **Additional Company Contribution**

An additional \$.30 will be added to the regular Company Contribution.  
This makes a total contribution of \$ 1.07 per eligible hour for 2013.

Sierra Pacific contributes to your retirement account in two ways - the 401(k) Match and the Company Contribution.  
And now, for 2013, the Additional Company Contribution.

We are very pleased to be able to make these contributions for the future of you and your family.

Thanks to each of you for your dedication and commitment to Sierra Pacific.

*Red George Maul*