



Alexander & Baldwin, Inc. FLEXSOLUTIONS

TO: ALL FSA AND PRE-TAX TRANSPORTATION PARTICIPANTS

SUBJECT: UPDATE ON CONVERSION OF DRC TO PAYFLEX

We are pleased to report to you that the following issues have been resolved:

- PayFlex has completed the loading of the annual election amounts to the debit cards and your accounts. Your contributions have also been updated. (You should not receive a denial when using the card unless the health care claim amount exceeds your annual election or your pre-tax commute or parking claim exceeds the monthly IRS limit.)
- The debit cards were sent only to participants whose cards were activated in 2006. If you have not received your card by Friday, February 9, please let your H.R. representative know. If you need more cards or you wish to have a card, please contact PayFlex at 800.284.4885 or request one at www.mypayflex.com under "contacts us".
- All 2006 balances have been carried over to the PayFlex system as of yesterday. If you received a letter from PayFlex stating that you did not make contributions in 2006, please disregard the letter which was sent last week.

Again, we wish to thank all of you who have given us your patience, understanding and support during the past week. It is unfortunate that the conversion process was not as seamless as we had hoped and we truly understand your frustration and distrust; we would, however, like you to give Payflex some time to prove itself.

Please continue to let us know should you experience further disruptions in using the program.

Mahalo!

Human Resources
Alexander & Baldwin, Inc.
February 6, 2007