Significant Index No. 04971.02-00

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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

JUN 12 2002

T:EP:RA:T:A1

In re:

Company =

This letter constitutes notice that with respect to the above-named defined benefit pension plan, waivers of the 100 percent excise tax under section 4971(b) of the Internal Revenue Code have been granted for the excise taxes that would otherwise apply with respect to the plan years beginning January 1, January 1 and January 1,

The waivers of the 100 percent excise tax have been granted in accordance with section 3002(b) of the Employee Retirement Income Security Act of 1974 (ERISA). The amount for which these excise tax waivers have been granted is equal to 100 percent of the contribution which would otherwise be required to reduce the balance of the funding standard account to zero as of the end of each of the applicable plan years for which a waiver is granted to the extent such deficiency has not been corrected. Of course, because we have waived the 100% excise tax for these three years, the penalties and interest associated with respect to the excise taxes under section 4971(b) of the Code will be zero.

According to the information received the Company has negative net worth and negative working capital and has had net losses in four of the past five years. Consequently the Company has not been able to meet the minimum funding standard for the pension plan since the plan year ending December 31, The Company has, however, paid the 10% excise tax under section 4971(a) of the Code for the plan years ended December 31 and December 31,

On filed a Distress Termination of Notice of Intent with the Pension Benefit Guaranty Corporation (PBGC). Subsequently, the Company and the PBGC reached and agreement in which the plan was terminated effective and the PBGC was appointed trustee of the Plan.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

A copy of this letter is being sent to your authorized representative in accordance with a power of attorney (Form 2848) on file. A copy of this letter is also being sent to the Manager, Employee Plans Classification in A copy of this letter should be furnished to the enrolled actuary for the plan.

If you have any questions on this ruling letter, please contact

Sincerely,

James E. Holland, Jr., Manager
Employee Plans Actuarial Group 1