Significant Index No. 0412.06-00

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TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

SEP 12 2002

T:EP:RA:T:A1

In re:

This letter constitutes notice that with respect to the above-named defined benefit pension plan we have granted a conditional waiver of the minimum funding standard for the plan year ending December 31, 2001.

This conditional waiver for the plan year ended December 31, 2001, has been granted in accordance with § 412(d) of the Internal Revenue Code and § 303 of the Employee Retirement Income Security Act of 1974 (ERISA). The waived amount is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of the end of the plan year for which this conditional waiver has been granted.

The employer has a calendar fiscal year. For the and fiscal years, the employer had net operating losses. It had profits in the and fiscal years. Cash flow has not been sufficient both to meet routine operating expenses such as payroll and maintenance and to contribute the required minimum funding amount.

Recovery efforts have been undertaken including a cessation of further benefit accruals under the plan. Results from the recovery efforts can be seen as evidenced by a strong increase in working capital from a negative position to a positive one. Net worth has also remained positive and has increased in the last two fiscal years.

The employer expects these recovery efforts will improve cash flow and profitability. Still, there is some uncertainty as to the likelihood of these expectations. Also, as of January 1, 2001, the plan's assets were equal to only 60% of the plan's liabilities on a termination basis. Accordingly, the waiver is granted subject to the following condition:

> The contributions required to satisfy the minimum funding standard for the plan years ended December 31, . and , are to be timely made as defined in Code § 412(c)(10), without an additional funding waiver for those years.

If this condition is not satisfied, the waiver is retroactively null and void. You agreed to this condition in a letter from your authorized representative dated September 11, 2002.

Your attention is called to Code § 412(f) and ERISA § 304(b) which describe the consequences that would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to other retirement plans (covering employees covered by this plan) maintained by the employer to increase the liabilities of those plans would be considered an amendment for purposes of Code § 412(f) and ERISA § 304(b).

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.

When filing Form 5500 for the plan year ended March 31, 2001, the date of this letter should be entered on Schedule B (Actuarial Information). We are sending a copy of this letter to your authorized representative pursuant to a Power of Attorney (Form 2848) on file with our office. We have sent a copy of this letter to the EP Classification Manager in If you have any questions, please contact me. Or, you may contact

Sincerely,

Norman G. Greenberg, Acting Manager
Employee Plans Actuarial Group 1